**HOUSE BILL 334
RATIFIED BILL**

AN ACT AUTHORIZING BUNCOMBE COUNTY TO USE SOME LOTTERY FUNDS TO EXPAND DIGITAL LEARNING IN THE PUBLIC SCHOOLS.

Whereas, the North Carolina Education Lottery legislation requires the distribution of lottery net proceeds for specific education purposes, including 40% of the net proceeds to the Public School Building Capital Fund for school construction; and

Whereas, lottery funds may not currently be used for school connectivity, digital textbooks, digital devices, or professional development for teachers to learn how to most effectively use digital learning for teaching; and

Whereas, since the lottery's enactment in 2005, the innovation of digital learning and its growing use throughout schools in North Carolina have significantly altered the landscape of public education in the State; and

Whereas, while the lottery money is currently designated for other necessary education causes, the expansion of digital learning is also a crucial component to ensure North Carolina's students graduate from high school globally competitive for work and postsecondary education and prepared for life in the 21st Century; and

Whereas, Buncombe County has designated one-half of the local government sales and use tax revenue distributed to the County under Article 39 of Chapter 105 of the General Statutes to be used for school construction, improvement, and renovation; and

Whereas, Buncombe County currently has lottery funds on hand that are not needed for the purposes to which they are limited; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-546.2(d) reads as rewritten:
"(d)   Monies transferred into the Fund in accordance with Chapter 18C of the General Statutes shall be allocated for capital projects for school construction projects as follows:
      (1)   A sum equal to sixty-five percent (65%) of those monies transferred in accordance with G.S. 18C-164 shall be allocated on a per average daily membership basis according to the average daily membership for the budget year as determined and certified by the State Board of Education.
      (2)   A sum equal to thirty-five percent (35%) of those monies transferred in accordance with G.S. 18C-164 shall be allocated to those local school administrative units located in whole or part in counties in which the effective county tax rate as a percentage of the State average effective tax rate is greater than one hundred percent (100%), with the following definitions applying to this subdivision:
           a.   "Effective county tax rate" means the actual county rate for the previous fiscal year, including any countywide supplemental taxes levied for the benefit of public schools, multiplied by a three-year weighted average of the most recent annual sales assessment ratio studies.
           b.   "State average effective tax rate" means the average effective county tax rates for all counties.
           c.   "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).
      (3)   No county shall have to provide matching funds required under subsection (c) of this section.

    (4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects.

    (5) ~~A county may not use monies in this Fund to pay for school technology needs.~~<u>A county may use monies in this Fund for digital learning needs such as school connectivity, digital textbooks and instructional resources, digital devices, and associated ongoing professional development for teachers.</u>"

SECTION 2. This act applies only to Buncombe County.

SECTION 3. This act is effective when it becomes law and applies only to unencumbered funds received by the County prior to that date.

In the General Assembly read three times and ratified this the 9th day of July, 2013.

         s/ Daniel J. Forest
           President of the Senate

         s/ Thom Tillis
           Speaker of the House of Representatives