

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1514
Committee Substitute Favorable 7/2/92
Senate Ways and Means Committee Substitute Adopted 7/7/92

Short Title: State Employee Benefits/Lottery.

(Public)

Sponsors:

Referred to:

June 2, 1992

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE PROVISIONS OF THE STATE BUDGET FOR THE
3 1991-93 FISCAL BIENNIUM BY ADJUSTING SALARIES AND BENEFITS OF
4 STATE EMPLOYEES AND RETIREES UNDER VARIOUS RETIREMENT
5 SYSTEMS AND TO PROVIDE FOR A BINDING REFERENDUM ON THE
6 ESTABLISHMENT OF A NORTH CAROLINA STATE LOTTERY.
7 The General Assembly of North Carolina enacts:
8 Section 1. If House Bill 1340, 1991 Session is ratified, then the sections of
9 that act with the following titles are repealed:
10 **PROVIDE A RAISE TO ALL STATE EMPLOYEES**
11 **INTRODUCTION**
12 **APPROPRIATIONS** (except for subsections (c), (d), and (e))
13 **GOVERNOR'S SALARY INCREASE**
14 **COUNCIL OF STATE/SALARY INCREASE**
15 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**
16 **LEGISLATORS/SALARY AND EXPENSES INCREASE**
17 **GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES**
18 **SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES**
19 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**
20 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**
21 **CLERKS OF COURT/SALARY INCREASE**
22 **ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE**

- 1 **MAGISTRATES/SALARY INCREASE**
- 2 **COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES**
- 3 **HIGHER EDUCATION PERSONNEL/SALARY INCREASES**
- 4 **MOST STATE EMPLOYEES/SALARY INCREASES/1992-93**
- 5 **CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES**
- 6 **PUBLIC SCHOOL PERSONNEL/SALARY INCREASES**
- 7 **ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES**
- 8 **INCREASE RETIREMENT ALLOWANCES**

9
10

11 **SALARY-RELATED CONTRIBUTIONS/EMPLOYERS**

12 Sec. 1.1. Section 188(c) of Chapter 689 of the 1991 Session Laws, as
13 rewritten by Section 5 of Chapter 812, Session Laws of 1991, reads as rewritten:

14 "(c) Effective July 1, 1992, the State's employer contribution rates budgeted for
15 retirement and related benefits as a percentage of covered salaries for the 1992-93 fiscal
16 year are (i) ~~ten and ninety three hundredths percent (10.93%)~~ ten and eighty-three
17 hundredths percent (10.83%) - Teachers and State Employees; (ii) ~~fifteen and ninety-~~
18 ~~three hundredths percent (15.93%)~~ fifteen and eighty-three hundredths percent (15.83%)
19 - State Law Enforcement Officers; (iii) eight and sixty-six hundredths percent (8.66%) -
20 University Employees' Optional Retirement Program; (iv) twenty-six and three
21 hundredths percent (26.03%) - Consolidated Judicial Retirement System; and (v) thirty-
22 two and thirty hundredths percent (32.30%) - Legislative Retirement System. Each of
23 the foregoing contribution rates includes two percent (2%) for hospital and medical
24 benefits. The rate for State Law Enforcement Officers includes five percent (5%) for
25 the Supplemental Retirement Income Plan. The rates for Teachers and State
26 Employees, State Law Enforcement Officers, and for the University Employees'
27 Optional Retirement Program includes forty-two hundredths percent (0.42%) for the
28 Disability Income Plan."
29

30

30 **CURRENT OPERATIONS/GENERAL FUND**

31 Sec. 1.2. In order to reflect a reduction in the employer contribution rate in
32 Section 1.1 of this act, appropriations from the General Fund of the State as outlined in
33 H.B. 1340, 1991 Session, for the maintenance of the State departments, institutions, and
34 agencies, are adjusted as enumerated for fiscal year ending June 30, 1993, according to
35 the following schedule:

36

<u>Current Operations-General Fund</u>	<u>1992-93</u>
39 General Assembly	\$
40 (5,822)	
41	
42 Judicial	Department
43	(1
44 03,940)	

1
2 Department of the Governor
3 01. Office of the Governor (2,621)
4 02. Office of State Budget
5 and Management(2,281)
6 03. Office of State Planning(469)
7
8 Lieutenant Governor's Office
9 (3
10 65)
11
12 Department of Secretary of State
13 (2,
14 714)
15
16 Department of State Auditor
17 (5,
18 609)
19
20 Department of State Treasurer
21 (2,
22 233)
23
24 Department of Public Education
25 01. Department of Public Instruction (21,255)
26 02. Aid to Local School
27 Administrative Units (2,394,104)
28
29 Department of Justice
30 (3
31 0,461)
32
33 Department of Administration
34 01. Administration (21,828)
35 02. State Controller (3,248)
36
37 Department of Agriculture
38 (2
39 8,762)
40
41 Department of Labor
42 (7,
43 848)
44

1 Department of Insurance
2 of (7,
3 954)
4
5 Department of Environment, Health, and
6 Natural Resources
7 (7
8 8,736)
9
10 Office of Administrative Hearings
11 (1,
12 311)
13
14 Administrative Rules Review Commission
15 (1
16 54)
17
18 Department of Human Resources
19 01. Alcohol Drug Abuse Treatment Center -
20 Black Mountain (2,631)
21 02. Alcohol Drug Abuse Treatment Center -
22 Butner(2,347)
23 03. Alcohol Drug Abuse Treatment Center -
24 Greenville (2,169)
25 04. N.C. Special Care Center (918)
26 05. Black Mountain Center (2,643)
27 06. DHR - Secretary (15,755)
28 07. Division of Aging (258)
29 08. Schools for the Deaf and
30 Hard of Hearing (13,058)
31 09. Social Services (5,590)
32 10. Medical Assistance (52,530)
33 12. Division of Services for the
34 Blind (5,139)
35 13. Division of Mental Health,
36 Developmental Disabilities, and
37 Substance Abuse Services (6,470)
38 14. Dorothea Dix Hospital (30,354)
39 15. Broughton Hospital (29,882)
40 16. Cherry Hospital (26,291)
41 17. John Umstead Hospital (26,639)
42 18. Western Carolina Center (2,397)
43 19. O'Berry Center (503)
44 20. Murdoch Center (9,368)

1	21.	Caswell Center (6,505)		
2	22.	Division of Facility Services (6,674)		
3	23.	Division of Vocational		
4		Rehabilitation Services (6,705)		
5	24.	Division of Youth Services (21,201)		
6				
7		Total Department of		
8		Human		Resources
9				(2
10		76,027)		
11				
12		Department	of	Correction
13				(2
14		92,751)		
15				
16		Department of Economic and Community		
17		Development		
18	01.	Economic and Community		
19		Development (11,363)		
20				
21		Department	of	Revenue
22				(3
23		3,692)		
24				
25		Department	of	Cultural
26				Resources
27		4,362)		(1
28				
29		Department of Crime Control		
30	and		Public	Safety
31				(1
32		3,727)		
33				
34		University of North Carolina - Board		
35		of Governors		
36	01.	General Administration (10,361)		
37	04.	University of North Carolina		
38		at Chapel Hill		
39	a.	Academic Affairs (90,161)		
40	b.	Health Affairs (40,027)		
41	c.	Area Health Education		
42		Centers(18,468)		
43	05.	North Carolina State University		
44		at Raleigh		

- 1 a. Academic Affairs (93,750)
- 2 b. Agricultural Research
- 3 Service (27,639)
- 4 c. Agricultural Extension
- 5 Service (19,723)
- 6 06. University of North Carolina at
- 7 Greensboro (34,465)
- 8 07. University of North Carolina at
- 9 Charlotte (31,061)
- 10 08. University of North Carolina at
- 11 Asheville (14,166)
- 12 09. University of North Carolina at
- 13 Wilmington (26,804)
- 14 10. East Carolina University
- 15 a. Academic Affairs (40,505)
- 16 b. Division of Health Affairs (5,822)
- 17 11. North Carolina Agricultural and
- 18 Technical State University (25,730)
- 19 12. Western Carolina University (22,249)
- 20 13. Appalachian State University (30,381)
- 21 14. Pembroke State University (9,821)
- 22 15. Winston-Salem State University (11,775)
- 23 16. Elizabeth City State
- 24 University (9,942)
- 25 17. Fayetteville State University (13,346)
- 26 18. North Carolina Central
- 27 University (21,332)
- 28 19. North Carolina School of the
- 29 Arts (5,278)
- 30 20. North Carolina School of
- 31 Science and Mathematics (4,085)
- 32 21. UNC Hospitals at Chapel Hill (17,730)

34 Total University of North
 35 Carolina - Board of Governors
 36 (6
 37 24,621)

39 Department of Community
 40 Colleges (3
 41
 42 03,010)

1 State Board of Elections
 2 (1
 3 95)
 4

5 GRAND TOTAL CURRENT OPERATIONS –
 6 GENERAL
 7
 8 4,291,463)
 9

FUND
 (\$

10 AVAILABILITY

11 Sec. 1.3. (a) The sum of five million dollars (\$5,000,000) of the estimated June
 12 30, 1992, credit balance shall be used to support the three million seven hundred sixty-
 13 five thousand five hundred ninety-one dollars (\$3,765,591) appropriated to the
 14 Department of Correction in House Bill 1340, 1991 Session, for supporting the
 15 underbudgeted line-item requirements for 1991-92, and to support one million two
 16 hundred fifty thousand dollars (\$1,250,000) of the funds appropriated to the State
 17 Controller in House Bill 1340, 1991 Session, for the purpose of continuing the
 18 accounting system changeover. This action provides five million dollars (\$5,000,000)
 19 in recurring availability to support the General Fund appropriations in this act.

20 (b) In addition to the payments from the Department of Transportation's
 21 Equipment Fund to the Highway Fund in Section 66 of Chapter 689 of the 1991 Session
 22 Laws, as it may have been amended by House Bill 1340, 1991 Session, an additional
 23 one million one thousand dollars (\$1,001,000) is transferred.
 24

25 PROVIDE A RAISE TO ALL STATE EMPLOYEES

27 INTRODUCTION

28 Sec. 2. Since the 1965-66 fiscal year, only two of the pay raises granted by
 29 the General Assembly to State employees have included a lump-sum amount for each
 30 State employee. By consistently giving State employees percentage pay increases
 31 instead of lump-sum increases, the General Assembly has created an enormous
 32 discrepancy between the upper and lower end of the State employee salary schedule.
 33 State employees at the lower end of the salary schedule are experiencing great financial
 34 difficulties because of the condition of the economy and the cost-of-living. A lump-sum
 35 salary increase will, on a percentage basis, benefit most the employees at the lower end
 36 of the salary schedule and will slightly reduce the percentage gap between the upper and
 37 lower ends of the salary schedule.
 38

39 APPROPRIATIONS

40 Sec. 3. (a) There is appropriated from the General Fund the sum of nine
 41 million two hundred ninety-four thousand four hundred eighty-four dollars (\$9,294,484)
 42 to a Reserve for Salary Increases for the 1992-93 fiscal year to provide raises for State
 43 employees and school personnel other than teachers as provided in this act in an amount
 44 equivalent to three-tenths per cent (.3%) of payroll.

(b) There is appropriated from the Highway Fund the sum of one million one thousand dollars (\$1,001,000) to a Reserve for Salary Increases for the 1992-93 fiscal year to provide raises for State employees as provided in this act in an amount equivalent to three-tenths per cent (.3%) of payroll.

GOVERNOR'S SALARY INCREASE

Sec. 4. (a) G.S. 147-11(a) reads as rewritten:

"(a) The salary of the Governor shall be ~~one hundred twenty-three thousand three hundred dollars (\$123,300)~~ one hundred twenty-three thousand nine hundred dollars (\$123,900) annually, payable monthly."

(b) Effective January 1, 1993, G.S. 147-11(a) as rewritten by subsection (a) of this section reads as rewritten:

"(a) The salary of the Governor shall be ~~one hundred twenty-three thousand nine hundred dollars (\$123,900)~~ ninety-two thousand sixteen dollars (\$92,016) annually, payable monthly."

COUNCIL OF STATE/SALARY INCREASE

Sec. 5. The annual salaries for members of the Council of State, payable monthly, for the 1992-93 fiscal year are:

<u>Council of State</u>	<u>1992-93</u>
Lieutenant Governor	\$75,852
Attorney General	75,852
Secretary of State	75,852
State Treasurer	75,852
State Auditor	75,852
Superintendent of Public Instruction	75,852
Agriculture Commissioner	75,852
Insurance Commissioner	75,852
Labor Commissioner	75,852.

NONELECTED DEPARTMENT HEAD/SALARY INCREASES

Sec. 6. In accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the nonelected heads of the principal State departments for the 1992-93 fiscal year are:

<u>Nonelected Department Heads</u>	<u>1992-93</u>
Secretary of Administration	\$75,852
Secretary of Correction	75,852
Secretary of Crime Control and Public Safety	75,852
Secretary of Cultural Resources	75,852
Secretary of Economic and Community Development	75,852
Secretary of Environment, Health, and Natural Resources	75,852

1	Secretary of Human Resources	75,852
2	Secretary of Revenue	75,852
3	Secretary of Transportation	75,852.

4

5 **LEGISLATORS/SALARY AND EXPENSES INCREASE**6 Sec. 7. Effective upon convening of the 1993 Regular Session of the General
7 Assembly, G.S. 120-3 reads as rewritten:8 **"§ 120-3. Pay of members and officers of the General Assembly.**

9 (a) The Speaker of the House shall be paid an annual salary of ~~thirty-five~~
10 ~~thousand one hundred dollars (\$35,100)~~, thirty-five thousand seven hundred dollars
11 (\$35,700), payable monthly, and an expense allowance of one thousand three hundred
12 twenty dollars (\$1,320) per month. The President Pro Tempore of the Senate shall be
13 paid an annual salary of ~~thirty-five thousand one hundred dollars (\$35,100)~~, thirty-five
14 thousand seven hundred dollars (\$35,700), payable monthly, and an expense allowance
15 of one thousand three hundred twenty dollars (\$1,320) per month. The Speaker Pro
16 Tempore of the House shall be paid an annual salary of ~~nineteen thousand seven~~
17 ~~hundred seventy-six dollars (\$19,776)~~, twenty thousand three hundred seventy-six
18 dollars (\$20,376), payable monthly, and an expense allowance of seven hundred eighty
19 dollars (\$780.00) per month; and the Deputy President Pro Tempore of the Senate shall
20 be paid an annual salary of ~~nineteen thousand seven hundred seventy-six dollars~~
21 ~~(\$19,776)~~, twenty thousand three hundred seventy-six dollars (\$20,376), payable
22 monthly, and an expense allowance of seven hundred eighty dollars (\$780.00) per
23 month. The majority and minority leaders in the House and the majority and minority
24 leaders in the Senate shall be paid an annual salary of ~~fifteen thousand three hundred~~
25 ~~ninety-six dollars (\$15,396)~~, fifteen thousand nine hundred ninety-six dollars (\$15,996),
26 payable monthly, and an expense allowance of six hundred twenty-two dollars
27 (\$622.00) per month.

28 (b) Every other member of the General Assembly shall receive increases in
29 annual salary only to the extent of and in the amounts equal to the average increases
30 received by employees of the State, effective upon convening of the next Regular
31 Session of the General Assembly after enactment of these increased amounts.
32 Accordingly, upon convening of the ~~1991-1993~~ Regular Session of the General
33 Assembly, every other member of the General Assembly shall be paid an annual salary
34 of ~~twelve thousand five hundred four dollars (\$12,504)~~, thirteen thousand one hundred
35 four dollars (\$13,104), payable monthly, and an expense allowance of five hundred
36 twenty-two dollars (\$522.00) per month.

37 (c) The salary and expense allowances provided in this section are in addition to
38 any per diem compensation and any subsistence and travel allowance authorized by any
39 other law with respect to any regular or extra session of the General Assembly, and
40 service on any State board, agency, commission, standing committee and study
41 commission."
42

43 **GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES**

44 Sec. 8. G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~forty three thousand five hundred forty eight dollars (\$43,548) from July 1, 1989 through June 30, 1990, and an annual salary of forty six thousand one hundred sixty four dollars (\$46,164) on and after July 1, 1990, forty six thousand seven hundred sixty four dollars (\$46,764),~~ payable monthly. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and Advisory Budget Commission and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES

Sec. 9. G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~one hundred ninety seven dollars (\$197.00) per week from July 1, 1989 through June 30, 1990, and two hundred nine dollars (\$209.00) per week on and after July 1, 1990, two hundred twenty-one dollars (\$221.00) per week,~~ plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

LEGISLATIVE EMPLOYEES/SALARY INCREASES

Sec. 10. The Legislative Administrative Officer may increase the salaries of nonelected employees of the General Assembly in effect for fiscal year 1991-92 by fifty dollars (\$50.00) per month. Nothing in this act limits any of the provisions of G.S. 120-32.

JUDICIAL BRANCH OFFICIALS/SALARY INCREASE

Sec. 11. (a) The annual salaries, payable monthly, for specified judicial branch officials for fiscal year 1992-93 are:

<u>Judicial Branch Officials</u>	<u>1992-93</u>
Chief Justice, Supreme Court	\$92,016
Associate Justice, Supreme Court	90,132
Chief Judge, Court of Appeals	87,264
Judge, Court of Appeals	85,368
Judge, Senior Regular Resident Superior Court	78,336
Judge, Superior Court	75,852
Chief Judge, District Court	66,996

1	Judge, District Court	64,464
2	District Attorney	70,632
3	Assistant District Attorney - an	
4	average of	45,900
5	Administrative Officer of the Courts	78,336
6	Assistant Administrative Officer	
7	of the Courts	63,960
8	Public Defender	70,632
9	Assistant Public Defender - an	
10	average of	45,900.

11 If an acting senior regular resident superior court judge is appointed under the
12 provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident,
13 Superior Court, until his temporary appointment is vacated, and the judge he replaces
14 shall receive the salary indicated for Judge, Superior Court.

15 The district attorney or public defender of a judicial district, with the approval
16 of the Administrative Officer of the Courts, shall set the salaries of assistant district
17 attorneys or assistant public defenders, respectively, in that district such that the average
18 salaries of assistant district attorneys or assistant public defenders in that district do not
19 exceed forty-five thousand nine hundred dollars (\$45,900), and the minimum salary of
20 any assistant district attorney or assistant public defender is at least twenty-three
21 thousand four hundred seventy-two dollars (\$23,472) effective July 1, 1992.

22 (b) The salaries in effect for fiscal year 1991-92 for permanent, full-time
23 employees of the Judicial Department, except for those whose salaries are itemized in
24 this act, shall be increased by fifty dollars (\$50.00) per month commencing July 1,
25 1992.

26 (c) The salaries in effect for fiscal year 1991-92 for all permanent, part-time
27 employees of the Judicial Department shall be increased on and after July 1, 1992, by
28 pro rata amounts of the fifty dollars (\$50.00) per month.

29

30 **CLERKS OF SUPERIOR COURT SALARY DETERMINATION/INCREASE**

31 Sec. 12. G.S. 7A-101 reads as rewritten:

32 **"§ 7A-101. Compensation.**

33 (a) The clerk of superior court is a full-time employee of the State and shall
34 receive an annual salary, payable in equal monthly installments, ~~based on the population~~
35 ~~of the county, as determined by the population projections of the Office of State Budget~~
36 ~~and Management for the year preceding the first year of each biennial budget, based on~~
37 the population of the county as determined in subsection (a1) of this section, according
38 to the following schedule:

39	Population	Annual Salary		
40	Less than 99,999 100,000	\$ 44,256	46,920	\$47,520
41	100,000 to 199,999	50,016	53,028	<u>53,628</u>
42	200,000 and above	57,072	60,504	<u>61,104.</u>

43

1 When a county changes from one population group to another, the salary of the clerk
2 shall be ~~changed~~ ~~changed~~, on July 1 of the fiscal year for which the change is reported,
3 to the salary appropriate for the new population group on July 1 of the first year of each
4 biennial budget group, except that the salary of an incumbent clerk shall not be
5 decreased by any change in population group during his continuance in office.

6 (a1) For purposes of subsection (a) of this section, the population of a county for
7 any fiscal year shall be the population for the beginning of that fiscal year as reported by
8 the Office of State Planning to the Administrative Office of the Courts prior to the
9 beginning of that fiscal year.

10 (b) The clerk shall receive no fees or commission by virtue of his office. The
11 salary set forth in this section is the clerk's sole official compensation, but if, on June
12 30, 1975, the salary of a particular clerk, by reason of previous but no longer authorized
13 merit increments, is higher than that set forth in the table, that higher salary shall not be
14 reduced during his continuance in office.

15 (c) In lieu of merit and other increment raises paid to regular State employees, a
16 clerk of superior court shall receive as longevity pay an amount equal to four and eight-
17 tenths percent (4.8%) of the annual salary set forth in the Budget Appropriation Act
18 payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10
19 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, and
20 nineteen and two-tenths percent (19.2%) after 20 years of service. Service shall mean
21 service in the elective position of clerk of superior court, as an assistant clerk of court
22 and as a supervisor of clerks of superior court with the Administrative Office of the
23 Courts and shall not include service as a deputy or acting clerk. Service shall also mean
24 service as a justice or judge of the General Court of Justice or as a district attorney."
25

26 ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE

27 Sec. 13. G.S. 7A-102(c) reads as rewritten:

28 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer
29 of the Courts shall establish an incremental salary plan for assistant clerks and for
30 deputy clerks based on a series of salary steps corresponding to the steps contained in
31 the Salary Plan for State Employees adopted by the Office of State Personnel, subject to
32 a minimum and a maximum annual salary as set forth below. On and after July 1, 1985,
33 each assistant clerk and each deputy clerk shall be eligible for an annual step increase in
34 his salary plan based on satisfactory job performance as determined by each clerk.
35 Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the
36 office of superior court clerk would warrant an annual salary greater than the salary first
37 established under this section, that assistant or deputy clerk shall be eligible on and after
38 July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after
39 July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps
40 in his salary plan, and shall remain eligible for a two-step increase each year as
41 recommended by each clerk until that assistant or deputy clerk's annual salary
42 corresponds to his number of years of service. Any person covered by this subsection
43 who would not receive a step increase in fiscal year 1992-93 because that person is at
44 the top of the salary range as it existed for fiscal year 1990-91 shall receive a salary

1 increase to the maximum annual salary provided for fiscal year 1992-93 by subsection
 2 (c1) of this section.

3 (c1) A full-time assistant clerk or a full-time deputy clerk shall be paid an annual
 4 salary subject to the following minimum and maximum rates:

5 Assistant Clerks			Annual Salary
6 Minimum	\$19,536	20,712	<u>\$20,712</u>
7 Maximum	32,772	34,740	<u>35,340</u>

9 Deputy Clerks			Annual Salary
10 Minimum	\$15,312	16,236	<u>\$16,236</u>
11 Maximum	25,128	26,640	<u>27,240.</u> "

12
 13 **MAGISTRATES/SALARY INCREASE**

14 Sec. 14. G.S. 7A-171.1(a)(1) reads as rewritten:

15 "(1) A full-time magistrate, so designated by the Administrative Officer of
 16 the Courts, shall be paid the annual salary indicated in the table below
 17 according to the number of years he has served as a magistrate. The
 18 salary steps shall take effect on the anniversary of the date the
 19 magistrate was originally appointed:
 20

21 **TABLE OF SALARIES OF FULL-TIME MAGISTRATES**

22	Number of Prior Years of Service	Annual Salary	
23	93		
24	Less than 1	\$15,600	\$16,536 <u>\$17,136</u>
25	1 or more but less than 3	16,416 17,412	<u>18,012</u>
26	3 or more but less than 5	18,084 19,176	<u>19,776</u>
27	5 or more but less than 7	19,920 21,120	<u>21,720</u>
28	7 or more but less than 9	21,972 23,292	<u>23,892</u>
29	9 or more but less than 11	24,204 25,656	<u>26,256</u>
30	11 or more	26,628 28,236	<u>28,836.</u>

31
 32
 33 A 'Full-time magistrate' is a magistrate who is assigned to work an
 34 average of not less than 40 hours a week during his term of office.

35 Notwithstanding any other provision of this subdivision, a full-time
 36 magistrate, who was serving as a magistrate on December 31, 1978,
 37 and who was receiving an annual salary in excess of that which would
 38 ordinarily be allowed under the provisions of this subdivision, shall
 39 not have the salary, which he was receiving reduced during any
 40 subsequent term as a full-time magistrate. That magistrate's salary
 41 shall be fixed at the salary level from the table above which is nearest
 42 and higher than the latest annual salary he was receiving on December
 43 31, 1978, and, thereafter, shall advance in accordance with the
 44 schedule in the table above."

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COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

Sec. 15. The Director of the Budget may transfer from the Reserve for Salary Increases provided in Section 3 of this act and Section 3 of House Bill 1340, 1991 Session, for fiscal year 1992-93 funds necessary to provide a salary increase of fifty dollars (\$50.00) per month, including funds for the employer's retirement and social security contributions, commencing July 1, 1992, for all permanent full-time community college institutional personnel supported by State funds. All permanent part-time community college institutional personnel supported by State funds shall receive pro rata amounts of the fifty dollars (\$50.00) per month. These funds may not be used for any purpose other than for the salary increases and necessary employer contributions provided by this section.

HIGHER EDUCATION PERSONNEL/SALARY INCREASES

Sec. 16. The Director of the Budget may transfer from the Reserve for Salary Increases provided in Section 3 of this act and Section 3 of House Bill 1340, 1991 Session, for fiscal year 1992-93 funds necessary to provide a salary increase of fifty dollars (\$50.00) per month, including funds for the employer's retirement and social security contributions commencing July 1, 1992, for each full-time employee of The University of North Carolina, as well as each full-time employee of the North Carolina School of Science and Mathematics, supported by State funds and whose salaries are exempt from the State Personnel Act; provided that the Board of Governors of The University of North Carolina may allocate the funds it receives for the salary increment for its employees in positions exempt from the State Personnel Act according to rules adopted by the Board of Governors. The Board of Trustees of the North Carolina School of Science and Mathematics may allocate the funds it receives for the salary increment for its employees in positions exempt from the State Personnel Act according to rules adopted by the Board of Trustees of the School of Science and Mathematics. All part-time employees of The University of North Carolina, as well as all part-time employees of the North Carolina School of Science and Mathematics, supported by State funds and whose salaries are exempt from the State Personnel Act shall receive a pro rata amount of the fifty dollars (\$50.00) per month; provided that the Board of Governors of The University of North Carolina may allocate the funds it receives for the salary increment for its employees in positions exempt from the State Personnel Act according to rules adopted by the Board of Governors; provided that for the North Carolina School of Science and Mathematics, according to rules adopted by the Board of Trustees of the school.

MOST STATE EMPLOYEES/SALARY INCREASES/1992-93

Sec. 17. (a) The salaries in effect for fiscal year 1991-92 for all permanent full-time State employees whose salaries are set in accordance with the State Personnel Act and who are paid from the General Fund or the Highway Fund shall be increased, on and after July 1, 1992, unless otherwise provided by this act, by fifty dollars (\$50.00) per month.

(b) Except as otherwise provided in this act, the fiscal year 1991-92 salaries for permanent full-time State officials and persons in exempt positions that are recommended by the Governor or the Governor and the Advisory Budget Commission and set by the General Assembly shall be increased by fifty dollars (\$50.00) per month, commencing July 1, 1992.

(c) The salaries in effect for fiscal year 1991-92 for all permanent part-time State employees shall be increased on and after July 1, 1992, by pro rata amounts of the fifty dollars (\$50.00) per month salary increase provided for permanent full-time employees covered under subsection (a) of this section.

(d) The Director of the Budget may allocate out of special operating funds or from other sources of the employing agency, except tax revenues, sufficient funds to allow a salary increase, on and after July 1, 1992, in accordance with subsections (a), (b), or (c) of this section, including funds for the employer's retirement and social security contributions, for the permanent full-time and part-time employees of the agency, provided the employing agency elects to make available the necessary funds.

(e) Within regular Executive Budget Act procedures as limited by this act, all State agencies and departments may increase on an equitable basis the rate of pay of temporary and permanent hourly State employees, subject to availability of funds in the particular agency or department, by pro rata amounts of the fifty dollars (\$50.00) per month salary increase provided for permanent full-time employees covered by the provisions of subsection (a) of this section commencing July 1, 1992.

(f) The provisions of this section do not apply to employees whose salaries are determined in accordance with G.S. 20-187.3(a), except for those employees who would not receive a salary increment for the 1992-93 fiscal year under G.S. 20-187.3(a) because they are at the top of their salary range.

CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

Sec. 18. (a) The annual salaries, payable monthly, for the 1992-93 fiscal year for the following executive branch officials are:

<u>Executive Branch Officials</u>	<u>Annual Salary</u> <u>1992-93</u>
Chairman, Alcoholic Beverage Control Commission	\$73,008
State Controller	118,020
Commissioner of Motor Vehicles	73,008
Commissioner of Banks	73,008
Chairman, Employment Security Commission	73,008
State Personnel Director	75,852
Chairman, Parole Commission	66,672
Members of the Parole Commission	61,560
Chairman, Industrial Commission	65,604
Members of the Industrial Commission	64,008
Executive Director, Agency for Public	

1	Telecommunications	61,560
2	General Manager, Ports Railway	
3	Commission	55,596
4	Director, Museum of Art	74,808
5	Executive Director, Wildlife Resources	
6	Commission	63,024
7	Executive Director, North Carolina	
8	Housing Finance Agency	90,336
9	Executive Director, North Carolina	
10	Agricultural Finance Authority	71,064
11	Director, Office of Administrative	
12	Hearings 64,464.	

13 (b) Any person carrying on the functions of a position listed in subsection (a)
14 of this section shall be paid only the salary set out in that subsection, and the mere
15 classification of the position to be some other position does not allow the salary of that
16 position to be set in some other manner.

17

18 **PUBLIC SCHOOL PERSONNEL/SALARY INCREASES**

19 Sec. 19. (a) Superintendents, Assistant Superintendents, Associate
20 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program
21 Administrators, Principals, and Assistant Principals. The Director of the Budget may
22 transfer from the Reserve for Salary Increases provided in Section 3 of this act and
23 Section 3 of House Bill 1340, 1991 Session, for fiscal year 1992-93 funds necessary to
24 provide a salary increase of fifty dollars (\$50.00) per month, including funds for the
25 employer's retirement and social security contributions, commencing July 1, 1992, for
26 all superintendents, assistant superintendents, associate superintendents, supervisors,
27 directors, coordinators, evaluators, program administrators, principals, and assistant
28 principals whose salaries are supported from the State's General Fund. These funds
29 may not be used for any purpose other than for the salary increase and necessary
30 employer contributions provided by this subsection.

31 (b) Noncertified Employees. The Director of the Budget may transfer from the
32 Reserve for Salary Increases provided in Section 3 of this act and Section 3 of House
33 Bill 1340, 1991 Session, for fiscal year 1992-93 funds necessary to provide a salary
34 increase of fifty dollars (\$50.00) per month, including funds for the employer's
35 retirement and social security contributions, commencing July 1, 1992, for all
36 noncertified public school employees, except school bus drivers, whose salaries are
37 supported from the State's General Fund. These funds may not be used for any purpose
38 other than for the salary increases and necessary employer contributions provided by
39 this subsection.

40 (c) Bus Drivers. The fiscal year 1991-92 pay rates adopted by local boards of
41 education for school bus drivers shall be increased by at least two and thirty-hundredths
42 percent (2.30%), on and after July 1, 1992, to the extent that such rates of pay are
43 supported by the allocation of State funds from the State Board of Education. Local
44 boards of education shall increase the rates of pay for all school bus drivers who were

1 employed during fiscal year 1991-92 and who continue their employment for fiscal year
2 1992-93 by at least two and thirty-hundredths percent (2.30%), on and after July 1,
3 1992. The Director of the Budget may transfer from the salary increase reserve fund
4 created in Section 3 of this act and Section 3 of House Bill 1340, 1991 Session, for
5 fiscal year 1992-93 funds necessary to provide the salary increases for school bus
6 drivers whose salaries are supported from the State's General Fund in accordance with
7 the provisions of this subsection.

8

9 **ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES**

10 Sec. 20. (a) Salaries for positions that are funded partially from the General
11 Fund or Highway Fund and partially from sources other than the General Fund or
12 Highway Fund shall be increased from the General Fund or Highway Fund
13 appropriation only to the extent of the proportionate part of the salaries paid from the
14 General Fund or Highway Fund.

15 (b) The granting of the salary increases under this act does not affect the status of
16 eligibility for salary increments for which employees may be eligible unless otherwise
17 required by this act.

18 (c) The salary increases provided in this Part to be effective July 1, 1992, do not
19 apply to persons separated from State service due to resignation, dismissal, reduction in
20 force, death, or retirement, whose last workday is prior to July 1, 1992, or to employees
21 involved in written disciplinary procedures.

22 Payroll checks issued to employees after July 1, 1992, which represent
23 payment for services provided prior to July 1, 1992, shall not be eligible for salary
24 increases provided for in this act. This subsection shall apply to all employees, subject
25 to or exempt from the State Personnel Act, paid from State funds, including public
26 schools, community colleges, and The University of North Carolina.

27 (d) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979
28 Session Laws as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-
29 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)
30 and G.S. 7A-102(c), no employee or officer of the public school system shall receive an
31 automatic increment, and no State employee or officer shall receive a merit increment,
32 during the 1992-93 fiscal year, except as otherwise permitted by this act.

33 (e) The Director of the Budget shall transfer from the Reserve for Salary
34 Increases provided in Section 3 of this act and Section 3 of House Bill 1340, 1991
35 Session, for fiscal year 1992-93 all funds necessary for the salary increases provided by
36 this act, including funds for the employer's retirement and social security contributions.

37 (f) Nothing in this act authorizes the transfer of funds from the General Fund
38 to the Highway Fund for salary increases.

39

40 **INCREASE RETIREMENT ALLOWANCES**

41 Sec. 21. (a) G.S. 128-27 is amended by adding a new subsection to read:

42 "(kk) From and after July 1, 1992, the retirement allowance to or on account of
43 beneficiaries whose retirement commenced on or before July 1, 1991, shall be increased
44 by one and eight-tenths percent (1.8%) of the allowance payable on July 1, 1991, in

1 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1992, the
2 retirement allowance to or on account of beneficiaries whose retirement commenced
3 after July 1, 1991, but before June 30, 1992, shall be increased by a prorated amount of
4 one and eight-tenths percent (1.8%) of the allowance payable as determined by the
5 Board of Trustees based upon the number of months that a retirement allowance was
6 paid between July 1, 1991, and June 30, 1992."

7 (b) G.S. 135-5 is amended by adding a new subsection to read:

8 "(uu) From and after July 1, 1992, the retirement allowance to or on account of
9 beneficiaries whose retirement commenced on or before July 1, 1991, shall be increased
10 by one and eight-tenths percent (1.8%) of the allowance payable on July 1, 1991, in
11 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1992, the
12 retirement allowance to or on account of beneficiaries whose retirement commenced
13 after July 1, 1991, but before June 30, 1992, shall be increased by a prorated amount of
14 one and eight-tenths percent (1.8%) of the allowance payable as determined by the
15 Board of Trustees based upon the number of months that a retirement allowance was
16 paid between July 1, 1991, and June 30, 1992."

17 (c) G.S. 135-65 is amended by adding a new subsection to read:

18 "(m) From and after July 1, 1992, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced on or before July 1, 1991, shall be increased
20 by one and eight-tenths percent (1.8%) of the allowance payable on July 1, 1991.
21 Furthermore, from and after July 1, 1992, the retirement allowance to or on account of
22 beneficiaries whose retirement commenced after July 1, 1991, but before June 30, 1992,
23 shall be increased by a prorated amount of one and eight-tenths percent (1.8%) of the
24 allowance payable as determined by the Board of Trustees based upon the number of
25 months that a retirement allowance was paid between July 1, 1991, and June 30, 1992."

26 (d) G.S. 120-4.22A is amended by adding a new subsection to read:

27 "(g) In accordance with subsection (a) of this section, from and after July 1, 1992,
28 the retirement allowance to or on account of beneficiaries whose retirement commenced
29 on or before January 1, 1992, shall be increased by one and eight-tenths percent (1.8%)
30 of the allowance payable on July 1, 1992. Furthermore, from and after July 1, 1992, the
31 retirement allowance to or on account of beneficiaries whose retirement commenced
32 after January 1, 1992, but before June 30, 1992, shall be increased by a prorated amount
33 of one and eight-tenths percent (1.8%) of the allowance payable as determined by the
34 Board of Trustees based upon the number of months that a retirement allowance was
35 paid between January 1, 1992, and June 30, 1992."

36 Sec. 22. The General Statutes are amended by adding a new Chapter to read:

37 **"CHAPTER 143C.**

38 **"NORTH CAROLINA STATE LOTTERY.**

39 **"ARTICLE 1.**

40 **"GENERAL PROVISIONS AND DEFINITIONS.**

41 **"§ 143C-101. Citation.**

42 This Chapter shall be known and may be cited as the North Carolina State Lottery
43 Act.

44 **"§ 143C-102. Purpose and intent.**

1 The General Assembly declares that the purpose and intent of this Chapter is to
2 provide additional monies to benefit the public purpose described in this Chapter
3 without the imposition of additional or increased taxes through the implementation of a
4 State-operated lottery. The lottery shall be initiated at the earliest practical time and it
5 shall be operated to maximize new revenue to the State which shall be raised in a
6 manner consistent with the dignity of the State, the general welfare of the people, and in
7 a manner consistent with effective business practices.

8 **"§ 143C-103. Laws not affected.**

9 Nothing contained in this Chapter shall be construed to repeal or modify any
10 existing State law with respect to gambling. In the event of a conflict between the
11 provisions of this Chapter and any other laws of the State of North Carolina, the
12 provisions of this Chapter shall govern.

13 **"§ 143C-104. Prohibition on use of State funds.**

14 It is the intent of this Chapter that the State-operated lottery established by this
15 Chapter shall be a self-supporting revenue-raising agency of State government.

16 **"§ 143C-105. Public purpose to benefit from lottery.**

17 The net revenues of the lottery shall be used to benefit the public purposes set forth
18 in G.S. 143C-175. It is the intent of this Chapter that the net revenues generated by the
19 State-operated lottery established by this Chapter shall not supplant revenues already
20 expended or projected to be expended for the public purpose and that lottery net
21 revenues shall supplement rather than be used as substitute funds for the total amount of
22 money allocated for the public purpose.

23 **"§ 143C-106. Allocation of revenues.**

24 As nearly as practical, at least eighty-four percent (84%) of the total annual revenues
25 from the sale of lottery tickets or shares, as described in this Chapter, shall be returned
26 to the public in the form of prizes and net revenues benefiting the public purposes set
27 forth in G.S. 143C-175. As nearly as practical, at least fifty percent (50%) of the total
28 annual revenues, as described in this Chapter, shall be returned to the public in the form
29 of prizes as described in this Chapter. Unclaimed prize money, as described in this
30 Chapter, shall revert to the benefit of the public purpose as described in this Chapter.
31 As nearly as practical, no more than sixteen percent (16%) of the total annual revenues
32 as described in this Chapter shall be allocated for payment of expenses of the lottery as
33 described in this Chapter. To the extent that the expenses of the lottery are less than
34 sixteen percent (16%) of total annual revenues, any surplus funds shall also be allocated
35 to the benefit of the public purpose as described in this Chapter.

36 **"§ 143C-107. Definitions.**

37 As used in this Chapter, unless the context requires otherwise:

- 38 (1) 'Commission' or 'Lottery Commission' means the North Carolina State
39 Lottery Commission, the five-member body appointed by the
40 Governor pursuant to this Chapter to oversee the lottery and the
41 Director.
- 42 (2) 'Commissioner' means one of the members of the North Carolina State
43 Lottery Commission appointed by the Governor pursuant to this
44 Chapter to oversee the State lottery.

- 1 (3) 'Director' means the Director of the North Carolina State Lottery
2 appointed by the Governor pursuant to this Chapter as the chief
3 administrator of the State lottery.
- 4 (4) 'Game' or 'Lottery game' means any procedure authorized by the
5 Commission whereby prizes are distributed among persons who have
6 paid, or unconditionally agreed to pay, for tickets or shares that
7 provide the opportunity to win these prizes.
- 8 (5) 'Lottery' or 'State lottery' means the North Carolina State Lottery
9 established and operated pursuant to this Chapter.
- 10 (6) 'Lottery contractor' means a person with whom the North Carolina
11 State Lottery has contracted for the purpose of providing goods and
12 services to the North Carolina State Lottery.
- 13 (7) 'Major procurement' means a procurement for a contract for the
14 printing of tickets or the provision of shares for use in any lottery
15 game, for any goods or services involving the receiving or recording of
16 number selections in any lottery game, or for any goods or services
17 involving the determination or generation of winners in any lottery
18 game.
- 19 (8) 'Person' means any natural person or corporation, trust, association,
20 partnership, joint venture, subsidiary, or other business entity.
- 21 (9) 'Retailer' or 'Lottery retailer' means a person with whom the North
22 Carolina State Lottery Commission has contracted for the purpose of
23 selling tickets or shares in lottery games to the public.
- 24 (10) 'Share' means any method of participation in a lottery game, other than
25 by a ticket purchased on an equivalent basis with a ticket whether
26 presently contemplated or developed in the future.
- 27 (11) 'Ticket' means any tangible evidence issued by the lottery to prove
28 participation in a lottery game.
- 29 (12) 'Vendor' or 'Lottery vendor' means any person who submits a bid,
30 proposal, or offer as part of a procurement for a contract for goods or
31 services for the North Carolina State Lottery.

32 **§§ 143C-108 and 143C-109: Reserved for future codification purposes.**

33 **"ARTICLE 2,**

34 **"NORTH CAROLINA STATE LOTTERY COMMISSION.**

35 **§ 143C-110. Creation of Commission.**

36 There is created a North Carolina State Lottery Commission.

37 **§ 143C-111. Commission membership; appointment; vacancies; removal.**

38 (a) The North Carolina State Lottery Commission shall consist of five members
39 appointed by the Governor who shall serve at the pleasure of the Governor.

40 (b) The Commissioners shall be appointed for the following initial terms: one
41 member shall be appointed for a term to expire December 31, 1994, one member shall
42 be appointed for a term to expire December 31, 1995, one member shall be appointed
43 for a term to expire December 31, 1996, and two members shall be appointed for terms

1 to expire December 31, 1997. All succeeding appointments shall be for terms of five
2 years.

3 (c) All initial appointments shall be made within 30 days of the effective date
4 of this Chapter.

5 (d) Vacancies shall be filled within 30 days of their occurrence by the
6 Governor for the unexpired portion of the term in which they occur.

7 **"§ 143C-112. Qualifications of Commissioners.**

8 At least one of the Commissioners shall have a minimum of five years experience in
9 law enforcement, and at least one of the other Commissioners shall be a certified public
10 accountant. No person shall be appointed as a Commissioner who has been convicted
11 of a felony. No more than three members of the Commission shall be of the same
12 political party.

13 **"§ 143C-113. Compensation and expenses.**

14 Commissioners shall be compensated at the rate of one hundred dollars (\$100.00)
15 for each day engaged in Commission business. Commissioners shall be reimbursed for
16 actual expenses incurred on Commission business, including, necessary travel expenses.

17 **"§ 143C-114. Powers and duties of the Commission.**

18 The Commission shall exercise all powers necessary to effectuate the purposes of
19 this Chapter.

20 **"§ 143C-115. Annual selection of chairman.**

21 The Commission shall annually select a chairman from its membership.

22 **"§ 143C-116. Meetings; records.**

23 Meetings of the Commission shall be open and public in accordance with Article
24 33C of Chapter 143 of the General Statutes. Records of the Commission shall be open
25 and available to the public in accordance with the provisions of Chapter 132 of the
26 General Statutes. The Commission shall meet with the Director at least monthly to
27 make recommendations and set policy, to approve or reject reports of the Director, to
28 adopt rules in accordance with Chapter 150B of the General Statutes, and to transact
29 any other business that may properly be brought before it. The chairman or a majority
30 of the members of the Commission shall have the power to call special meetings of the
31 Commission upon advance written notice to all of the members of the Commission and
32 the Director.

33 **"§ 143C-117. Quorum; voting.**

34 A majority of the total membership of the North Carolina Lottery Commission
35 constitutes a quorum. All decisions of the Commission shall be made by a majority
36 vote.

37 **"§ 143C-118. Reports.**

38 The Commission shall make quarterly and annual reports on the operation of the
39 lottery to the Governor, Attorney General, State Treasurer, and to the General
40 Assembly. The reports shall include full and complete statements of lottery revenues,
41 prize disbursements, expenses, net revenues, and all other financial transactions
42 involving lottery funds.

43 **"§ 143C-119: Reserved for future codification purposes.**

44 **"ARTICLE 3.**

"NORTH CAROLINA STATE LOTTERY DIRECTOR.**"§ 143C-120. Appointment and removal of Director.**

The Governor shall appoint a Director within 30 days of the effective date of this Chapter. The Director shall direct the operations of the State lottery. The Governor may remove the Director upon notification to the Commission. The Director shall be exempt from the State Personnel Act.

"§ 143C-121. Qualifications of the Director.

The Director shall be qualified by training and experience to direct the operations of a State-operated lottery. No person shall be appointed Director who has been convicted of a felony.

"§ 143C-122. Salary.

During the first fiscal year of the operation of the lottery, the Director shall receive compensation as set by the Commission and approved by the Governor. Thereafter the compensation of the Director shall be set by the General Assembly in the Current Operations Appropriations Act. The Director shall render full-time attention to the duties of the office.

"§ 143C-123. Duties and powers of the Director.

The Director shall perform all duties, exercise all powers, assume and discharge all responsibilities, and carry out and effect all purposes provided by this Chapter. The Director shall act as the Secretary and Executive Officer of the North Carolina State Lottery Commission. The Director shall act in accordance with this Chapter, the rules adopted by the Commission, and under the guidance of the Commission.

"§ 143C-124. Power to hire.

The Director shall hire, subject to the approval of the Commission, the professional, clerical, technical and administrative personnel needed to carry out the provisions of this Chapter. No person shall be employed by the lottery who has been convicted of a felony. Each person employed by the lottery shall execute an authorization to allow an investigation of his background.

"§ 143C-125. Assistant directors.

The Director may appoint, and prescribe the duties for, up to four assistant directors. The compensation of each assistant director shall be set by the Commission and shall not exceed the Director's compensation. The Director may designate one of the assistant directors as the deputy director. All employees of the North Carolina State Lottery shall be exempt from the State Personnel Act.

"§ 143C-126. Assistant director for security.

One of the assistant directors shall be responsible for a security division to assure the security, honesty, fairness, and integrity in the operation and administration of the lottery, including an examination of the background of all prospective employees, lottery vendors, and lottery contractors. The assistant director for security shall be qualified by training and experience including at least five years of law enforcement experience and knowledge and experience in computer security. The assistant director for security may, in conjunction with the Director, confer with the Attorney General or his designee, to promote and ensure the security, honesty, fairness, and integrity of the operation and administration of the lottery. The assistant director for security, in

1 conjunction with the Director, shall report any alleged violation of law to the
2 appropriate law enforcement authority for further investigation and action. The
3 assistant director for security shall have peace officer status in this State.

4 **"§ 143C-127. Criminal identification information available to lottery; peace officer**
5 **status.**

6 Upon the request of the assistant director for security, the Attorney General and the
7 Secretary of Crime Control and Public Safety shall furnish information to the Director
8 and the assistant director for security, necessary to assure the security, honesty, fairness,
9 and integrity in the operation and administration of the lottery which they have in their
10 possession, including computerized or other information and data. For the purpose of
11 requesting and receiving this information, the State lottery shall be considered to be a
12 'criminal justice agency' and its enforcement agents to be 'peace officers'. State lottery
13 enforcement agents shall have the same authority with respect to service and execution
14 of arrest warrants and search warrants as is conferred on other peace officers of this
15 State.

16 **"§ 143C-128. Coordination with Commission.**

17 The Director shall confer as frequently as necessary, but not less than monthly, with
18 the Commission on the operation and administration of the lottery. The Director shall
19 make available for inspection by the Commission all books, records, files, documents,
20 and other information of the lottery and shall make recommendations for the improved
21 operation and administration of the lottery.

22 **"§ 143C-129. Study of lottery systems; recommendations for improvement.**

23 The Director shall make an ongoing study of the operation and administration of the
24 lotteries that are in operation in other states and countries, of available literature on the
25 subject of lotteries, of federal laws which may affect the operation of the lottery, and of
26 the reaction of the citizens of the State to existing or proposed features in lottery games.
27 The Director shall conduct this research in order to recommend improvements that will
28 serve the purposes of this Chapter. The Director may make recommendations to the
29 Commission, to the Governor, and to the General Assembly on any matters concerning
30 the secure, profitable, and efficient operation and administration of the lottery and the
31 convenience of the purchasers of tickets and shares.

32 **"§ 143C-130. Accountability; books and records.**

33 The Director shall make and keep books and records that accurately and fairly
34 reflect each day's transactions, including the distribution of tickets or shares to lottery
35 game retailers, receipt of funds, prize claims, prizes paid directly by the Commission,
36 expenses, and all other financial transactions involving lottery funds necessary to permit
37 preparation of daily financial statements in conformity with generally accepted
38 accounting principles, in order to maintain daily accountability.

39 **"§ 143C-131. Monthly financial reports.**

40 The Director shall make a monthly financial report to the Commission, to the
41 Governor, to the State Treasurer, and to the General Assembly. The report shall include
42 a statement of all lottery revenues, prize disbursements, expenses, net revenues, and all
43 other financial transactions involving lottery funds for the preceding month.

44 **"§ 143C-132. Independent study of demographics of lottery players.**

1 Within the first six months of sales of tickets or shares to the public, the Director
2 shall engage an independent firm experienced in demographic analysis to conduct a
3 special study to ascertain the demographic characteristics of the players of each lottery
4 game, including their income, age, sex, education, and frequency of participation. This
5 report shall be presented to the Commission, to the Governor, and to the General
6 Assembly. Similar studies shall be conducted on a continuing, periodic basis.

7 **"§ 143C-133. Independent study of effectiveness of lottery communications.**

8 After the first full year of sales of tickets or shares to the public, the Director shall
9 engage an independent firm experienced in the analysis of advertising, promotion,
10 public relations, and other aspects of communications to conduct a special study of the
11 effectiveness of the communications activities undertaken by the lottery and make
12 recommendations to the Commission on the future conduct and future rate of
13 expenditures for these activities. This report shall be presented to the Commission, to
14 the Governor, and to the General Assembly. Similar studies shall be conducted on a
15 continuing, periodic basis.

16 **"§ 143C-134. Independent audit of lottery security.**

17 The Director shall, in addition to all other security measures, engage an independent
18 firm experienced in security procedures, including computer security and systems
19 security, to conduct a continuing comprehensive study and evaluation of all aspects of
20 security in the operation of the lottery. The study shall include:

- 21 (1) Personnel security;
- 22 (2) Lottery game retailer security;
 - 23 (3) Lottery contractor security;
 - 24 (4) Security of manufacturing operations of lottery contractors;
 - 25 (5) Security against ticket counterfeiting, alteration, and other
26 means of fraudulently winning; security of drawings among entries
27 or finalists;
 - 28 (6) Computer security;
 - 29 (7) Data communications security;
 - 30 (8) Database security;
 - 31 (9) Systems security;
 - 32 (10) Lottery premises and warehouse security;
 - 33 (11) Security in distribution;
 - 34 (12) Security involving validation and payment procedures;
 - 35 (13) Security involving unclaimed prizes;
 - 36 (14) Security aspects applicable to each particular lottery game;
 - 37 (15) Security of drawings in games where winners are
38 determined by drawings of numbers;
 - 39 (16) Any other aspects of security applicable to any particular
40 lottery game and to the lottery and its operations.

41 The portion of the security audit report containing the overall evaluation of the lottery in
42 terms of each aspect of security shall be presented to the Commission, to the Governor,
43 and to the General Assembly. The portion of the security audit report containing
44 specific recommendations shall be confidential and shall be presented only to the

1 Director, to the assistant director for security, and to the Commission. Similar audits of
2 security shall be conducted biennially thereafter.

3 **§§ 143C-135 to 143C-139: Reserved for future codification purposes.**

4 **"ARTICLE 4.**

5 **"OPERATION OF LOTTERY.**

6 **"§ 143C-140. Initiation and operation of lottery.**

7 The Commission shall initiate operation of the lottery on a continuous basis at the
8 earliest feasible and practical time. The lottery shall be initiated and shall continue to be
9 operated so as to produce the maximum amount of net revenues to benefit the public
10 purpose described in this Chapter consistent with the purposes stated in G.S. 143C-102.
11 Other departments, boards, commissions, and agencies of the State and their officers
12 shall cooperate with the Commission to aid the Commission in fulfilling these
13 objectives.

14 **"§ 143C-141. Types of lottery games.**

15 (a) Upon the recommendation of the Director, the Commission shall adopt rules,
16 in the manner prescribed by Chapter 150B of the General Statutes specifying the types
17 of lottery games to be conducted by the lottery, including but not limited to, instant
18 lotteries, on-line games, and other games traditional to the lottery, provided, however:

- 19 (1) No lottery game may use the theme of bingo, dog racing, or horse
20 racing;
- 21 (2) No lottery game may be based on the outcome of a particular sporting
22 event or on the results of a series of sporting events;
- 23 (3) In lottery games using tickets, each ticket in a particular game shall
24 bear a unique number distinguishing it from every other ticket in that
25 lottery game;
- 26 (4) No name or photograph of an elected official shall appear on the
27 tickets of any lottery game; and
- 28 (5) In games using electronic computer terminals or other devices, no
29 coins or currency shall be dispensed to players from those electronic
30 computer terminals or devices.

31 (b) The Commission may authorize the use of any type of lottery game that
32 has been conducted by any state government-operated lottery in the United States
33 including, but not limited to, the sale of instant tickets or shares by electronic computer
34 terminals or devices, or any other type of lottery game that will achieve the revenue
35 objectives of the lottery consistent with the purposes stated in G.S. 143C-102.

36 **"§ 143C-142. Number and value of prizes.**

37 Upon the recommendation of the Director, the Commission shall adopt rules as
38 prescribed by Chapter 150B of the General Statutes that specify the number and value
39 of prizes for winning tickets or shares in each lottery game including cash prizes,
40 merchandise prizes, prizes consisting of deferred payments or annuities, and prizes of
41 tickets or shares in the same lottery game or other lottery games conducted by the
42 lottery, provided:

- 43 (1) In lottery games using tickets with preprinted winners, the overall
44 estimated odds of winning prizes shall be printed on each ticket; and

1 (2) A detailed tabulation of the estimated number of prizes of each
2 particular prize denomination that are expected to be awarded in each
3 lottery game, or the estimated odds of winning these prizes, shall be
4 available at the offices of the lottery at the time that lottery game is
5 offered for sale to the public; and

6 (3) All printed or point of sale advertising promoting the sale of lottery
7 tickets for a particular game shall include the actual or estimated odds
8 of winning that game.

9 **"§ 143C-143. Method of determining winners.**

10 (a) Upon the recommendation of the Director, the Commission shall adopt rules
11 as prescribed by Chapter 150B of the General Statutes, which specify the method for
12 determining winners in each lottery game, provided that if a lottery game uses a
13 drawing of winning numbers, a drawing among entries, or a drawing among finalists:

14 (1) The drawings shall always be open to the public;

15 (2) The drawings shall be witnessed by an independent certified public
16 accountant;

17 (3) Any equipment used in the drawings shall be inspected by the
18 independent certified public accountant and an employee of the lottery
19 both before and after the drawings; and

20 (4) The drawings and inspections shall be recorded on both video and
21 audio tape.

22 (b) It is the intent of this Chapter that the Commission may authorize the use
23 of any of a variety of existing or future methods or technologies in determining winners.

24 **"§ 143C-144. Sale price of tickets and shares.**

25 Upon the recommendation of the Director, the Commission shall adopt rules as
26 prescribed by Chapter 150B of the General Statutes, specifying the retail sales price for
27 each ticket or share for each lottery game, provided:

28 (1) No ticket or share shall be sold for more than the retail sales price
29 established by the Commission; and

30 (2) The minimum retail price of each ticket, share, or transaction in any
31 lottery game shall be fifty cents (50¢), except to the extent of any
32 discounts or promotions authorized by the Commission for a particular
33 lottery game.

34 **"§ 143C-145. Validation and payment of prizes.**

35 Upon the recommendation of the Director, the Commission shall adopt rules as
36 prescribed by Chapter 150B of the General Statutes, to establish a system of verifying
37 the validity of tickets or shares claimed to win prizes and to effect payment of those
38 prizes, provided:

39 (1) For the convenience of the public, lottery retailers may be authorized
40 by the Commission to pay winners of up to an amount appropriate to
41 the lottery game involved, after performing validation procedures on
42 their premises, and with the approval of the Director;

43 (2) No prize shall be paid to any person under the age of 18 years;

1 (3) No prize may be paid arising from claimed tickets or shares that are
2 stolen, counterfeit, altered, fraudulent, unissued, produced or issued in
3 error, unreadable, not received or recorded by the lottery by the
4 applicable deadlines, lacking in captions that conform and agree with
5 the lottery play symbols as appropriate to the lottery game involved, or
6 not in compliance with any additional specific rules and regulations
7 and public or confidential validation and security tests of the lottery
8 appropriate to the particular game involved;

9 (4) No particular prize in any lottery game may be paid more
10 than once, and in the event of a binding determination that more than
11 one claimant is entitled to a particular prize, the sole remedy for
12 these claimants is the award to each of them of a proportionate share
13 in the prize;

14 (5) The Commission may specify that winners of twenty-five
15 dollars (\$25.00) or less may claim the prizes from either the same
16 lottery game retailer who sold the winning ticket or share or from the
17 lottery itself or from any other lottery retailer;

18 (6) Holder of tickets or shares shall have the right to claim
19 prizes for 120 days after the drawing or the end of the lottery game
20 or play in which the prize was won. The Commission may define
21 shorter time periods for eligibility for entry into drawings involving
22 entries or finalists. If a valid claim is not made for a prize payable
23 directly by the Commission within the applicable period, the
24 unclaimed prize money will revert to the North Carolina State
25 Lottery Fund;

26 (7) After the expiration of the claim period for prizes for each
27 lottery game, the Commission shall make available a detailed
28 tabulation of the total number of prizes of each prize denomination
29 that were actually claimed and paid directly by the Commission;

30 (8) The right of any person to a prize shall not be assignable, except that
31 payment of any prize may be paid to the estate of a deceased
32 prizewinner or to a person designated pursuant to an appropriate
33 judicial order. The Director, Commission, State lottery, and the State
34 shall be discharged of all liability upon payment of a prize; and

35 (9) No ticket or share in a lottery game shall be purchased by, and no prize
36 shall be paid to a member of the Commission, the Director, an
37 assistant director, or employee of the lottery or to any spouse, parent,
38 or child living in the same household as a person disqualified by this
39 provision.

40 **"§ 143C-146. Lottery game play rules and winner validation procedures.**

41 All prizes contemplated in each lottery game by its prize structure for a given level
42 of sales shall be paid to the players of the lottery game. Conversely, in order to preserve
43 the fiscal integrity of the lottery and to protect public funds, no prizes shall be paid
44 which are invalid and not contemplated by the prize structure of the lottery game

1 involved. By purchasing a ticket or share in a lottery game, a player agrees to abide by,
2 and be bound by, the lottery's game play rules developed by the Director, and approved
3 by the Commission, to apply to any particular lottery game involved. An abbreviated
4 form of the game play rules may appear on tickets in lottery games using tickets. In
5 particular a player acknowledges that the determination of whether the player is a
6 winner is subject to the game play rules and the winner validation procedures and
7 confidential validation tests established by the lottery for the particular lottery game
8 involved. The game play rules shall not be considered to be rules or regulations for the
9 purpose of Chapter 150B of the General Statutes.

10 **"§ 143C-147. Distribution of tickets and shares.**

11 (a) Upon the recommendation of the Director, the Commission shall adopt rules
12 as prescribed by Chapter 150B of the General Statutes, specifying the manner of
13 distribution, dissemination, or sale of lottery tickets or shares to lottery game retailers or
14 directly to the public, and the incentives, if any, for any lottery employees or lottery
15 retailers engaged in these activities. Notwithstanding any other provisions of this
16 Chapter, no lottery ticket or shares may be sold or resold by any party except at the sales
17 price or value established by the Commission, except as specifically authorized by the
18 Commission. In lottery games using electronic computer terminals or devices, the
19 lottery may employ or engage persons with experience in the repair, maintenance, or
20 operation of comparable equipment.

21 (b) The Commission may enter into agreements with other states for the
22 operation and promotion of multistate lotteries consistent with the purposes set forth in
23 G.S. 143C-102.

24 **"§§ 143C-148 and 143C-149: Reserved for future codification purposes.**

25 **"ARTICLE 5.**

26 **"LOTTERY GAME RETAILERS.**

27 **"§ 143C-150. Contracting with lottery game retailers.**

28 Upon the recommendation of the Director, the Commission shall adopt rules as
29 prescribed by Chapter 150B of the General Statutes, specifying the terms and conditions
30 for contracting with lottery game retailers to provide adequate and convenient
31 availability of tickets or shares to prospective buyers of each lottery game. The
32 Commission may permit the North Carolina State Lottery to sell tickets and shares
33 directly to the public or to make these sales by any other method authorized by the
34 Commission.

35 **"§ 143C-151. Selection of lottery game retailers.**

36 (a) The Director shall select as lottery game retailers those persons deemed best
37 able to serve the public convenience and to promote the sale of tickets or shares. No
38 natural person under 21 years of age shall be a lottery game retailer. This minimum age
39 does not prohibit employees of a retailer who are under 21 years of age from selling
40 lottery tickets or shares during their employment. In the selection of a lottery game
41 retailer the Director shall consider:

- 42 (1) Financial responsibility;
- 43 (2) Accessibility of the place of business or activity to the public;
- 44 (3) Security of the premises;

- 1 (4) Integrity;
2 (5) Reputation;
3 (6) The sufficiency of existing lottery game retailers for any particular
4 lottery game to serve the public convenience; and
5 (7) The projected volume of sales for the lottery game involved.

6 No contract with any lottery game retailer shall be entered into if the retailer has been
7 convicted of a felony or a gambling-related offense in any state or federal court of the
8 United States of America within 10 years of entering into the contract.

9 (b) No person shall be a lottery game retailer who is engaged exclusively in
10 the business of selling lottery tickets or shares. A person lawfully engaged in
11 nongovernmental business on State property or an owner or lessee of premises on which
12 alcoholic beverages are sold may be selected as a lottery game retailer. A civic or
13 fraternal organization may be selected as a lottery game retailer. Political subdivisions
14 or their agencies or departments may be selected as lottery game retailers for sales from
15 their premises. The Director may contract with lottery retailers on a permanent,
16 seasonal, or temporary basis. The lottery may require payment by each lottery game
17 retailer to the lottery of an initial fee or an annual fee, or both, as established by the
18 Commission, to maintain the contract to be a lottery game retailer.

19 **"§ 143C-152. Nonassignability.**

20 The contract to act as a lottery game retailer is not assignable or transferable.

21 **"§ 143C-153. Termination of a contract with a lottery game retailer.**

22 The Director may terminate a contract with a lottery game retailer under the
23 provisions for termination included in the contract. These provisions for termination
24 shall include the knowing sale of tickets or shares to any person under the age of 18
25 years.

26 **"§ 143C-154. Compensation for lottery game retailers.**

27 Upon the recommendation of the Director, the Commission shall adopt rules as
28 prescribed by Chapter 150B of the General Statutes, to determine the compensation to
29 be paid to lottery game retailers for their sales of lottery tickets or shares. Until the
30 Commission determines otherwise, the compensation paid to lottery game retailers shall
31 be five percent (5%) of the retail price of the tickets or shares plus an incentive bonus of
32 one percent (1%) based on attainment of sales volume or other objectives specified by
33 the Director for each lottery game. In cases of a lottery game retailer whose rental
34 payments for premises are contractually computed on the basis of a percentage of retail
35 sales, and where the computation of retail sales is not explicitly defined to include sales
36 of tickets or shares in a State lottery, the compensation received by the lottery game
37 retailer from the lottery shall be deemed to be the amount of the retail sale for the
38 purposes of this contractual computation.

39 **"§ 143C-155. Sales to persons under the age of 18.**

40 No tickets or shares in lottery games shall be sold to persons under the age of 18
41 years. Selling tickets or shares to a person under the age of 18 years shall be a
42 misdemeanor. In the case of lottery tickets or shares sold by lottery game retailers or
43 their employees, those persons shall establish safeguards to help assure that sales are not
44 made to natural persons under the age of 18 years. In the case of sales of tickets or

1 shares sold by vending machines, electronic computer terminals, or other devices, the
2 Commission shall establish safeguards to help assure that the vending machines or
3 devices are not operated by natural persons under the age of 18 years. Nothing in this
4 Article shall be construed to prevent any person 18 years or older from giving lottery
5 tickets or shares to another as a gift.

6 **"§ 143C-156. Payment of prize won by person under 18.**

7 If the person entitled to a prize or any winning ticket is under the age of 18 years,
8 and the prize is less than five thousand dollars (\$5,000), the Director may direct
9 payment of the prize by delivery of a check or draft payable to the order of the person
10 under 18 years of age to an adult member of that person's family or to that person's legal
11 guardian. If the person entitled to a prize or any winning ticket is under the age of 18
12 years, and the prize is five thousand dollars (\$5,000) or more, the Director may direct
13 payment to that person by depositing the amount of the prize in any insured depository
14 institution to the credit of an adult member of that person's family, or the legal guardian
15 of the person, as custodian for that person.

16 **"§ 143C-157. Display of certificate of authority.**

17 No lottery tickets or shares shall be sold by a lottery game retailer unless the retailer
18 conspicuously displays a certificate of authority, signed by the Director, to sell lottery
19 tickets or shares.

20 **"§ 143C-158. Bonding.**

21 The Director may require an appropriate bond from any lottery game retailer or may
22 purchase blanket bonds covering the activities of selected lottery game retailers.

23 **"§ 143C-159. Lottery game retailer accounting; payments.**

24 (a) The Director shall establish procedures which shall be used by lottery game
25 retailers to account for all tickets or shares that are sold by them to the public and to
26 account for all funds received by them from the public for the tickets or shares.

27 (b) No payment by lottery game retailers to the lottery for tickets or shares
28 shall be in cash. All payments shall be in the form of checks, bank drafts, electronic
29 fund transfers, or other recorded financial instruments as approved by the Director.

30 **"ARTICLE 6.**

31 **"LOTTERY VENDORS AND LOTTERY CONTRACTORS.**

32 **"§ 143C-160. Procurements.**

33 Notwithstanding other provisions of law, the Director may purchase or lease goods
34 or services or combinations of goods and services needed to effectuate the purposes of
35 this Chapter. The lottery may not contract with any private party or non-governmental
36 entity for the operation and administration of the State lottery established by this
37 Chapter; however, the foregoing shall not preclude procurements that integrate
38 functions such as lottery game design, supply of goods and services, and advertising. In
39 all procurements, the Director and Commission shall act to promote the objective of
40 raising net revenues for the benefit of the public purpose described in this Chapter.

41 **"§ 143C-161. Contracts.**

42 The Director may directly solicit proposals or enter into contracts for the purchase or
43 lease of goods or services to effectuate the purposes of this Chapter. In awarding
44 contracts in response to solicitations for proposals, the Director shall award the

1 contracts to the responsible vendor submitting the best proposal which he determines
2 maximizes the benefits to the State. In all procurement decisions, the Director, or the
3 Commission, if the Commission chooses to make the decision, shall take into account
4 the particularly sensitive nature of the lottery and shall consider the competence, quality
5 of product, experience, and timely performance of the vendors in order to promote and
6 ensure security, honesty, fairness, and integrity in the operation and administration of
7 the lottery and objective of raising net revenues for the benefit of the public purpose
8 described in this Chapter. The Director may engage an independent firm experienced in
9 evaluating government procurement proposals to aid in the evaluation of proposals to
10 the lottery. Before a contract for a major procurement is awarded, the assistant director
11 for security shall conduct a thorough background investigation of:

12 (1) The vendor to whom the contract is to be awarded;

13 (2) Any parent or subsidiary corporation of the vendor to whom
14 the contract is to be awarded;

15 (3) All shareholders with a five percent (5%) or more interest in
16 the vendor or parent or subsidiary corporation of the vendor to
17 whom the contract is to be awarded; and

18 (4) All officers and directors of the vendor or parent or
19 subsidiary corporation of the vendor to whom the contract is to be
20 awarded.

21 All contract awards made by the Director are made subject to the approval of the
22 Commission. No contract may be awarded to any person convicted of a felony or any
23 gambling offense in any state or federal court of the United States of America within 10
24 years of entering into the contract. The Commission may by rule designate classes of
25 contracts other than major procurements that do not require approval of the
26 Commission.

27 **"§ 143C-162. Lottery vendor disclosures for major procurements.**

28 Upon the recommendation of the Director, the Commission shall adopt rules as
29 prescribed by Chapter 150B of the General Statutes, to provide for disclosures by
30 vendors submitting bids, proposals, or offers as part of a major procurement to ensure
31 that the vendors provide all the information necessary to allow for a full and complete
32 evaluation by the lottery of the competence, integrity, background, and character of the
33 lottery vendors. The rules shall require that all lottery vendors submit to the assistant
34 director for security any appropriate investigation authorizations needed to facilitate
35 these investigations.

36 **"§ 143C-163. Compliance with applicable laws.**

37 Each lottery contractor shall perform its contract consistent with the laws of this
38 State, federal law, and laws of the state or states in which the lottery contractor is
39 performing or producing, in whole or in part, any of the goods or services contracted
40 for.

41 **"§ 143C-164. Performance bond.**

42 Each lottery contractor in a major procurement shall, at the time of executing the
43 contract with the Director, post an appropriate bond or letter of credit with the Director,
44 in an amount equal to the full amount estimated to be paid annually to the lottery

1 contractor under the contract. The Commission may issue a rule allowing the Director
2 to decrease the bond or letter of credit requirement for a major procurement if the
3 Director determines that the decrease will result in a cost savings to the lottery while
4 still providing adequate protection against nonperformance. In lieu of a bond or letter
5 of credit, a contractor may, to assure the faithful performance of its obligations, deposit
6 and maintain with the Director securities that are interest bearing or accruing that, with
7 the exception of those specified in subdivision (1) or (2), are rated in one of the
8 four highest classifications by an established nationally recognized investment rating
9 service. Securities eligible under this section are limited to the following:

- 10 (1) Certificates of deposit issued by solvent banks and savings
11 associations organized and existing under North Carolina law or under
12 the laws of the United States and having their principle place of
13 business in North Carolina.
- 14 (2) United States bonds and bills for which the full faith and credit of the
15 government of the United States is pledged for the payment of
16 principal and interest.
- 17 (3) General obligation bonds and notes of any political subdivision of the
18 State.
- 19 (4) Corporate bonds of a corporation that is not an affiliate or subsidiary
20 of the depositor.

21 Securities shall be held in trust and must have at all times a market value at least equal
22 to the full amount estimated to be paid annually to the contractor under contract.

23 **"§§ 143C-165 to 143C-169: Reserved for future codification purposes.**

24 **"ARTICLE 7.**

25 **"NORTH CAROLINA STATE LOTTERY FUND.**

26 **"§ 143C-170. North Carolina State Lottery Fund.**

27 A special account to be known as the 'North Carolina State Lottery Fund' is created
28 within the State treasury. The North Carolina State Lottery Fund is continuously
29 appropriated to the Commission for the purposes of operating the Commission and the
30 State lottery.

31 **"§ 143C-171. Types of income to the North Carolina State Lottery Fund.**

32 The North Carolina State Lottery Fund shall receive the following monies:

- 33 (1) All proceeds from the sale of lottery tickets or shares;
- 34 (2) The investments for initial start-up costs; and
- 35 (3) All other monies credited to the lottery from any lottery-
36 related source.

37 **"§ 143C-172. Types of disbursements from the North Carolina State Lottery**
38 **Fund.**

39 Disbursements shall be made from the North Carolina State Lottery Fund for any of
40 the following purposes:

- 41 (1) The payment of prizes to the holders of valid winning
42 lottery tickets or shares;
- 43 (2) Expenses of the lottery, including initial start-up costs; and

(3) Transfer of funds from the North Carolina State Lottery Fund to the Savings Reserve Account and the Capital-Maintenance Account established under G. S. 143C-175.

"§ 143C-173. Prize payments of the lottery.

As nearly as practical, at least fifty percent (50%) of the total projected revenue as computed on a year-round basis for each lottery game, accruing from the sales of all lottery tickets or shares from that lottery game shall be apportioned for payment of prizes for that lottery game. The North Carolina State Lottery Commission may allocate a larger percentage of the total projected revenue for a lottery game to prizes if it concludes that the total annual net revenue from the lottery game will be enhanced by that prize percentage.

"§ 143C-174. Expenses of the lottery.

Expenses of the lottery shall include:

- (1) The costs incurred in the operation and administration of the lottery, including initial start-up costs;
- (2) The costs resulting from any contracts entered into for the purchase or lease of goods or services required by the lottery;
- (3) The compensation paid to lottery game retailers;
- (4) The cost of supplies, materials, tickets, independent studies, data transmission, advertising, promotion, incentives, public relations, communications, bonding for lottery game retailers, printing, and distribution of tickets and shares;
- (5) The costs of reimbursing other governmental entities for services provided to the lottery; and
- (6) The costs for any other goods and services needed to accomplish the purposes of this Chapter.

As nearly as practical, no more than sixteen percent (16%) of the total annual revenues accruing from the sale of all lottery tickets and shares from all lottery games shall be expended for the payment of expenses of the lottery.

"§ 143C-175. Transfer of net revenues.

(a) The funds remaining in the North Carolina State Lottery Fund after receipt of all revenues to the North Carolina State Lottery Fund and after accrual of all obligations of the lottery for prizes and expenses shall be deemed to be the net revenues of the lottery.

(a1) The State Treasurer shall transfer monthly the sum of four million six hundred thousand dollars (\$4,600,000) to a Reserve for Salary Increases to pay the expenses of the General Fund and the Highway Fund for a one percent (1%) cost-of-living increase for teachers and State employees effective April 1, 1993; provided that in June 1993, sufficient funds shall be transferred so that the total transfer for fiscal year 1992-93 is thirteen million eight hundred thousand dollars (\$13,800,000).

(b) The State Treasurer shall transfer monthly one-half of the net proceeds of the North Carolina State Lottery Fund after making the transfer in subsection (a1) of this section to the Savings Reserve Account, a special revenue account established within the State treasury. At the end of each fiscal year, the State Treasurer shall

1 transfer the amount of revenue in the Account that exceeds eight percent (8%) of the
2 General Fund operating budget for the fiscal year ending that June 30, including local
3 government tax reimbursements and local government tax sharing funds, to the General
4 Fund.

5 (c) The State Treasurer shall transfer monthly the remaining one-half of the net
6 proceeds of the North Carolina State Lottery Fund, after making the transfer in
7 subsection (a1) of this section, to the Capital-Maintenance Account, a special revenue
8 account established within the State treasury. Eighty percent (80%) of the revenue in
9 the Account shall be used, as determined by the General Assembly, for capital
10 improvements and debt service retirement on General Obligation bonds. The remaining
11 twenty percent (20%) shall be used to maintain capital improvements.

12 **"§ 143C-176. Intergovernmental reimbursements for services.**

13 It is the intent of this Chapter that the lottery shall be a self-supporting agency of
14 State government. The North Carolina State Lottery Commission shall reimburse, at a
15 reasonable rate, all other governmental entities for any and all services necessary to
16 effectuate the purposes of this Chapter provided by those governmental entities to the
17 Commission.

18 **"§ 143C-177. Audits.**

19 The State Auditor shall conduct annual postaudits of all accounts and transactions of
20 the Commission and any other special postaudits the State Auditor deems to be
21 necessary. The Auditor or his agents conducting an audit may examine any records of
22 the Commission, its distributing agencies, lottery contractors, and lottery game retailers.

23 **"§§ 143C-178 and 143C-179: Reserved for future codification purposes.**

24 **"ARTICLE 8.**

25 **"MISCELLANEOUS.**

26 **"§ 143C-180. Taxes.**

27 No taxes shall be imposed on the sale of lottery tickets or shares of the lottery
28 established by this Chapter.

29 **"§ 143C-181. Preemption of local laws.**

30 All matters relating to the operation of the lottery established by this Chapter shall
31 be governed solely by the provisions of this Chapter and shall be free from regulation or
32 legislation by local governments, including cities and counties.

33 **"§ 143C-182. Lawful activity.**

34 Any other State or local law, ordinance, or regulation providing any penalty,
35 disability, restriction, regulation, or prohibition for the manufacture, transportation,
36 storage, distribution, advertising, possession, or sale of any lottery tickets or shares or
37 for the operation of any lottery game does not apply to the operation of the lottery
38 established by this Chapter."

39 Sec. 23. G.S. 147-69.2(a) is amended by adding a new subdivision to read:

40 "(17.1) The North Carolina State Lottery Fund."

41
42 **GOVERNOR'S SALARY INCREASE**

43 Sec. 23.1. (a) Effective April 1, 1993, G.S. 147-11(a) as rewritten by Section 4(b)
44 of this act, reads as rewritten:

1 "(a) The salary of the Governor shall be ~~ninety-two thousand sixteen dollars~~
2 ~~(\$92,016)~~ ninety-two thousand nine hundred twenty-eight dollars (\$92,928) annually,
3 payable monthly."
4

5 **COUNCIL OF STATE/SALARY INCREASE**

6 Sec. 23.2. Effective April 1, 1993, Section 5 of this act is repealed and the
7 annual salaries for members of the Council of State, payable monthly are:

8 <u>Council of State</u>	<u>Salary</u>
9 Lieutenant Governor	\$76,608
10 Attorney General	76,608
11 Secretary of State	76,608
12 State Treasurer	76,608
13 State Auditor	76,608
14 Superintendent of Public Instruction	76,608
15 Agriculture Commissioner	76,608
16 Insurance Commissioner	76,608
17 Labor Commissioner	76,608.

18

19 **NONELECTED DEPARTMENT HEAD/SALARY INCREASES**

20 Sec. 23.3. Effective April 1, 1993, Section 6 of this act is repealed, and in
21 accordance with G.S. 143B-9, the maximum annual salaries, payable monthly, for the
22 nonelected heads of the principal State departments are:

23 <u>Nonelected Department Heads</u>	<u>Salary</u>
24 Secretary of Administration	\$76,608
25 Secretary of Correction	76,608
26 Secretary of Crime Control and 27 Public Safety	76,608
28 Secretary of Cultural Resources	76,608
29 Secretary of Economic and 30 Community Development	76,608
31 Secretary of Environment, Health, 32 and Natural Resources	76,608
33 Secretary of Human Resources	76,608
34 Secretary of Revenue	76,608
35 Secretary of Transportation	76,608.

36

37 **GENERAL ASSEMBLY PRINCIPAL CLERKS/SALARY INCREASES**

38 Sec. 23.4. Effective April 1, 1993, G.S. 120-37(c) as rewritten by Section 8
39 of this act, reads as rewritten:

40 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
41 entitled to other benefits available to permanent legislative employees and shall be paid
42 an annual salary of ~~forty-six thousand seven hundred sixty-four dollars (\$46,764)~~, forty-
43 seven thousand two hundred twenty dollars (\$47,220), payable monthly. The
44 Legislative Services Commission shall review the salary of the principal clerks prior to

1 submission of the proposed operating budget of the General Assembly to the Governor
 2 and Advisory Budget Commission and shall make appropriate recommendations for
 3 changes in those salaries. Any changes enacted by the General Assembly shall be by
 4 amendment to this paragraph."

5

6 **SERGEANT-AT-ARMS AND READING CLERKS/SALARY INCREASES**

7 Sec. 23.5. Effective April 1, 1993, G.S. 120-37(b) as rewritten by Section 9
 8 of this act, reads as rewritten:

9 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
 10 salary of ~~two hundred twenty one dollars (\$221.00)~~ two hundred twenty-three dollars
 11 (\$223.00) per week, plus subsistence at the same daily rate provided for members of the
 12 General Assembly, plus mileage at the rate provided for members of the General
 13 Assembly for one round trip only from their homes to Raleigh and return. The
 14 sergeants-at-arms shall serve during sessions of the General Assembly and at such time
 15 prior to the convening of, and subsequent to adjournment or recess of, sessions as may
 16 be authorized by the Legislative Services Commission. The reading clerks shall serve
 17 during sessions only."

18

19 **LEGISLATIVE EMPLOYEES/SALARY INCREASES**

20 Sec. 23.6. Effective April 1, 1993, the Legislative Administrative Officer
 21 may increase the salaries of nonelected employees of the General Assembly in effect on
 22 March 31, 1993, by one percent (1%). Nothing in this act limits any of the provisions of
 23 G.S. 120-32.

24

25 **JUDICIAL BRANCH OFFICIALS/SALARY INCREASE**

26 Sec. 23.7. (a) Effective April 1, 1993, Section 11 of this act is repealed, and the
 27 annual salaries, payable monthly, for specified judicial branch officials are:

<u>Judicial Branch Officials</u>	<u>Salary</u>
29 Chief Justice, Supreme Court	\$92,928
30 Associate Justice, Supreme Court	91,032
31 Chief Judge, Court of Appeals	88,128
32 Judge, Court of Appeals	86,220
33 Judge, Senior Regular Resident	
34 Superior Court	79,116
35 Judge, Superior Court	76,608
36 Chief Judge, District Court	67,656
37 Judge, District Court	65,100
38 District Attorney	71,328
39 Assistant District Attorney - an	
40 average of	46,356
41 Administrative Officer of the Courts	79,116
42 Assistant Administrative Officer	
43 of the Courts	64,596
44 Public Defender	71,328

1 Assistant Public Defender - an
 2 average of 46,356.

3 If an acting senior regular resident superior court judge is appointed under the
 4 provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident,
 5 Superior Court, until his temporary appointment is vacated, and the judge he replaces
 6 shall receive the salary indicated for Judge, Superior Court.

7 The district attorney or public defender of a judicial district, with the approval
 8 of the Administrative Officer of the Courts, shall set the salaries of assistant district
 9 attorneys or assistant public defenders, respectively, in that district such that the average
 10 salaries of assistant district attorneys or assistant public defenders in that district do not
 11 exceed forty-six thousand three hundred fifty-six dollars (\$46,356), and the minimum
 12 salary of any assistant district attorney or assistant public defender is at least twenty-
 13 three thousand seven hundred dollars (\$23,700) effective April 1, 1993.

14 (b) The salaries in effect on March 31, 1993, for permanent, full-time employees
 15 of the Judicial Department, except for those whose salaries are itemized in this act, shall
 16 be increased by one percent (1%) commencing April 1, 1993.

17 (c) The salaries in effect on March 31, 1993, for all permanent, part-time
 18 employees of the Judicial Department shall be increased on and after April 1, 1992, by
 19 one percent (1%).
 20

21 **CLERKS OF SUPERIOR COURT SALARY DETERMINATION/INCREASE**

22 Sec. 23.8. Effective April 1, 1993, G.S. 7A-101(a) as rewritten by Section 12
 23 of this act, reads as rewritten:

24 "(a) The clerk of superior court is a full-time employee of the State and shall
 25 receive an annual salary, payable in equal monthly installments, based on the population
 26 of the county as determined in subsection (a1) of this section, according to the following
 27 schedule:

28 Population	Annual Salary	
29 _____ 1992-93		
30 Less than 100,000	\$47,520	<u>\$47,988</u>
31 100,000 to 199,999	53,628	<u>54,156</u>
32 200,000 and above	61,104	<u>61,704</u>

33
 34 When a county changes from one population group to another, the salary of the clerk
 35 shall be changed, on July 1 of the fiscal year for which the change is reported, to the
 36 salary appropriate for the new population group, except that the salary of an incumbent
 37 clerk shall not be decreased by any change in population group during his continuance
 38 in office."
 39

40 **ASSISTANT AND DEPUTY CLERKS OF COURT/SALARY INCREASE**

41 Sec. 23.9. Effective April 1, 1993, G.S. 7A-102(c1) as enacted by Section 13
 42 of this act, reads as rewritten:

43 "(c1) A full-time assistant clerk or a full-time deputy clerk shall be paid an annual
 44 salary subject to the following minimum and maximum rates:

1	Assistant Clerks			Annual Salary
2		1992-93		
3	Minimum		\$20,712	<u>\$20,916</u>
4	Maximum	35,340-	<u>35,688</u>	

6	Deputy Clerks			Annual Salary
7		1992-93		
8	Minimum	\$16,236-	<u>\$16,392</u>	
9	Maximum	27,240.-	<u>27,504."</u>	

MAGISTRATES/SALARY INCREASE

Sec. 23.10. Effective April 1, 1993, G.S. 7A-171.1(a)(1) as rewritten by Section 14 of this act, reads as rewritten:

"(1) A full-time magistrate, so designated by the Administrative Officer of the Courts, shall be paid the annual salary indicated in the table below according to the number of years he has served as a magistrate. The salary steps shall take effect on the anniversary of the date the magistrate was originally appointed:

TABLE OF SALARIES OF FULL-TIME MAGISTRATES

Number of Prior Years of Service	Annual Salary
1992-93	
Less than 1	\$17,136 <u>\$17,304</u>
1 or more but less than 3	18,012 <u>18,192</u>
3 or more but less than 5	19,776 <u>19,968</u>
5 or more but less than 7	21,720 <u>21,936</u>
7 or more but less than 9	23,892 <u>24,120</u>
9 or more but less than 11	26,256 <u>26,508</u>
11 or more	28,836- <u>29,129.</u>

A 'Full-time magistrate' is a magistrate who is assigned to work an average of not less than 40 hours a week during his term of office.

Notwithstanding any other provision of this subdivision, a full-time magistrate, who was serving as a magistrate on December 31, 1978, and who was receiving an annual salary in excess of that which would ordinarily be allowed under the provisions of this subdivision, shall not have the salary, which he was receiving reduced during any subsequent term as a full-time magistrate. That magistrate's salary shall be fixed at the salary level from the table above which is nearest and higher than the latest annual salary he was receiving on December 31, 1978, and, thereafter, shall advance in accordance with the schedule in the table above."

1 COMMUNITY COLLEGES PERSONNEL/SALARY INCREASES

2 Sec. 23.11. The Director of the Budget may transfer from the Reserve for
3 Salary Increases provided in G.S. 143C-175 as enacted by Section 22 of this act, for
4 fiscal year 1992-93, funds necessary to provide a salary increase of one percent (1%),
5 including funds for the employer's retirement and social security contributions,
6 commencing April 1, 1993, for all permanent full-time community college institutional
7 personnel supported by State funds. All permanent part-time community college
8 institutional personnel supported by State funds shall receive the one percent (1%).
9 These funds may not be used for any purpose other than for the salary increases and
10 necessary employer contributions provided by this section.

11 HIGHER EDUCATION PERSONNEL/SALARY INCREASES

12 Sec. 23.12. The Director of the Budget may transfer from the Reserve for
13 Salary Increases provided in G.S. 143C-175 as enacted by Section 22 of this act, for
14 fiscal year 1992-93 funds necessary to provide a salary increase of one percent (1%),
15 including funds for the employer's retirement and social security contributions
16 commencing April 1, 1993, for each full-time employee of The University of North
17 Carolina, as well as each full-time employee of the North Carolina School of Science
18 and Mathematics, supported by State funds and whose salaries are exempt from the
19 State Personnel Act; provided that the Board of Governors of The University of North
20 Carolina may allocate the funds it receives for the salary increment for its employees in
21 positions exempt from the State Personnel Act according to rules adopted by the Board
22 of Governors. The Board of Trustees of the North Carolina School of Science and
23 Mathematics may allocate the funds it receives for the salary increment for its
24 employees in positions exempt from the State Personnel Act according to rules adopted
25 by the Board of Trustees of the School of Science and Mathematics. All part-time
26 employees of The University of North Carolina, as well as all part-time employees of
27 the North Carolina School of Science and Mathematics, supported by State funds and
28 whose salaries are exempt from the State Personnel Act shall receive the one percent
29 (1%); provided that the Board of Governors of The University of North Carolina may
30 allocate the funds it receives for the salary increment for its employees in positions
31 exempt from the State Personnel Act according to rules adopted by the Board of
32 Governors; provided that for the North Carolina School of Science and Mathematics,
33 according to rules adopted by the Board of Trustees of the school.
34

35 MOST STATE EMPLOYEES/SALARY INCREASES/1992-93

36 Sec. 23.13. (a) The salaries in effect on March 31, 1993, for all permanent full-
37 time State employees whose salaries are set in accordance with the State Personnel Act
38 and who are paid from the General Fund or the Highway Fund shall be increased, on
39 and after April 1, 1993, unless otherwise provided by this act, by one percent (1%).

40 (b) Except as otherwise provided in this act, the salaries in effect on March 31,
41 1993, for permanent full-time State officials and persons in exempt positions that are
42 recommended by the Governor or the Governor and the Advisory Budget Commission
43

1 and set by the General Assembly shall be increased by one percent (1%), commencing
2 April 1, 1993.

3 (c) The salaries in effect on March 31, 1993, for all permanent part-time State
4 employees shall be increased on and after April 1, 1993, by one percent (1%).

5 (d) The Director of the Budget may allocate out of special operating funds or
6 from other sources of the employing agency, except tax revenues, sufficient funds to
7 allow a salary increase, on and after April 1, 1993, in accordance with subsections (a),
8 (b), or (c) of this section, including funds for the employer's retirement and social
9 security contributions, for the permanent full-time and part-time employees of the
10 agency, provided the employing agency elects to make available the necessary funds.

11 (e) Within regular Executive Budget Act procedures as limited by this act, all
12 State agencies and departments may increase on an equitable basis the rate of pay of
13 temporary and permanent hourly State employees, subject to availability of funds in the
14 particular agency or department, by one percent (1%) commencing April 1, 1993.

15 (f) The provisions of this section do not apply to employees whose salaries
16 are determined in accordance with G.S. 20-187.3(a), except for those employees who
17 would not receive a salary increment for the 1992-93 fiscal year under G.S. 20-187.3(a)
18 because they are at the top of their salary range.

19

20 CERTAIN EXECUTIVE BRANCH OFFICIALS/SALARY INCREASES

21 Sec. 23.14. (a) Effective April 1, 1993, Section 18 of this act is repealed and the
22 annual salaries, payable monthly, for the following executive branch officials are:

23 <u>Executive Branch Officials</u>	<u>Annual Salary</u>
24 Chairman, Alcoholic Beverage Control	
25 Commission	\$73,728
26 State Controller	119,196
27 Commissioner of Motor Vehicles	73,728
28 Commissioner of Banks	73,728
29 Chairman, Employment Security	
30 Commission	73,728
31 State Personnel Director	76,608
32 Chairman, Parole Commission	67,332
33 Members of the Parole Commission	62,172
34 Chairman, Industrial Commission	66,252
35 Members of the Industrial Commission	64,644
36 Executive Director, Agency for Public	
37 Telecommunications	62,172
38 General Manager, Ports Railway	
39 Commission	56,148
40 Director, Museum of Art	75,552
41 Executive Director, Wildlife Resources	
42 Commission	63,648
43 Executive Director, North Carolina	
44 Housing Finance Agency	91,236

1 Executive Director, North Carolina
2 Agricultural Finance Authority 72,312
3 Director, Office of Administrative
4 Hearings 65,100.

5 (b) Any person carrying on the functions of a position listed in subsection (a)
6 of this section shall be paid only the salary set out in that subsection, and the mere
7 classification of the position to be some other position does not allow the salary of that
8 position to be set in some other manner.

9

10 PUBLIC SCHOOL PERSONNEL/SALARY INCREASES

11 Sec. 23.15. (a) Superintendents, Assistant Superintendents, Associate
12 Superintendents, Supervisors, Directors, Coordinators, Evaluators, Program
13 Administrators, Principals, and Assistant Principals. The Director of the Budget may
14 transfer from the Reserve for Salary Increases provided in G.S. 143C-175 as enacted by
15 Section 22 of this act, for fiscal year 1992-93 funds necessary to provide a salary
16 increase of one percent (1%), including funds for the employer's retirement and social
17 security contributions, commencing April 1, 1993, for all superintendents, assistant
18 superintendents, associate superintendents, supervisors, directors, coordinators,
19 evaluators, program administrators, principals, and assistant principals whose salaries
20 are supported from the State's General Fund. These funds may not be used for any
21 purpose other than for the salary increase and necessary employer contributions
22 provided by this subsection.

23 (b) Noncertified Employees. The Director of the Budget may transfer from the
24 Reserve for Salary Increases provided in G.S. 143C-175 as enacted by Section 22 of this
25 act, for fiscal year 1992-93 funds necessary to provide a salary increase of one percent
26 (1%), including funds for the employer's retirement and social security contributions,
27 commencing April 1, 1993, for all noncertified public school employees, except school
28 bus drivers, whose salaries are supported from the State's General Fund. These funds
29 may not be used for any purpose other than for the salary increases and necessary
30 employer contributions provided by this subsection.

31 (c) Bus Drivers. The March 31, 1993, pay rates adopted by local boards of
32 education for school bus drivers shall be increased by at least one percent (1%), on and
33 after April 1, 1993, to the extent that such rates of pay are supported by the allocation of
34 State funds from the State Board of Education. Local boards of education shall increase
35 the rates of pay for all school bus drivers who were employed March 31, 1993, and who
36 continue their employment on and after April 1, 1993, by at least one percent (1%), on
37 and after April 1, 1993. The Director of the Budget may transfer from the salary
38 increase reserve fund created in G.S. 143C-175 as enacted by Section 22 of this act, for
39 fiscal year 1992-93 funds necessary to provide the salary increases for school bus
40 drivers whose salaries are supported from the State's General Fund in accordance with
41 the provisions of this subsection.

42

43 ALL STATE-SUPPORTED PERSONNEL/SALARY INCREASES

1 Sec. 23.16. (a) Salaries for positions that are funded partially from the General
2 Fund or Highway Fund and partially from sources other than the General Fund or
3 Highway Fund shall be increased from the General Fund or Highway Fund
4 appropriation only to the extent of the proportionate part of the salaries paid from the
5 General Fund or Highway Fund.

6 (b) The granting of the salary increases under this act does not affect the status of
7 eligibility for salary increments for which employees may be eligible unless otherwise
8 required by this act.

9 (c) The salary increases provided in this Part to be effective April 1, 1993, do not
10 apply to persons separated from State service due to resignation, dismissal, reduction in
11 force, death, or retirement, whose last workday is prior to April 1, 1993, or to
12 employees involved in written disciplinary procedures.

13 Payroll checks issued to employees after April 1, 1993, which represent
14 payment for services provided prior to April 1, 1993, shall not be eligible for salary
15 increases provided for in this act. This subsection shall apply to all employees, subject
16 to or exempt from the State Personnel Act, paid from State funds, including public
17 schools, community colleges, and The University of North Carolina.

18 (d) Notwithstanding the provisions of Section 19.1 of Chapter 1137 of the 1979
19 Session Laws, as amended by Chapter 1053 of the 1981 Session Laws, G.S. 115C-
20 12(9)a., 115C-12(16), 126-7, or any other provision of law other than G.S. 20-187.3(a)
21 and G.S. 7A-102(c), no employee or officer of the public school system shall receive an
22 automatic increment, and no State employee or officer shall receive a merit increment,
23 during the 1992-93 fiscal year, except as otherwise permitted by this act.

24 (e) The Director of the Budget shall transfer from the Reserve for Salary
25 Increases provided in G.S. 143C-175 as enacted by Section 22 of this act, for fiscal year
26 1992-93 all funds necessary for the salary increases provided by this act, including
27 funds for the employer's retirement and social security contributions.

28 (f) Funds from the Salary Reserve Fund created by G.S. 143C-175 as enacted
29 by Section 22 of this act may be used to support salary increases for employees paid
30 from the Highway Fund.

31 32 **TEACHER SALARY SCHEDULE**

33 Sec. 23.17. (a) Effective for the first pay period commencing after March 31,
34 1993, the Teacher Salary Schedule set out in the section of House Bill 1340, 1991
35 Session, entitled **TEACHER SALARY SCHEDULE** is modified by increasing the
36 amounts in the monthly salary schedule by one percent (1%), rounded down to the
37 nearest dollar.

38 (b) The Director of the Budget shall transfer from the Salary Reserve Fund
39 created in G.S. 143C-175 as enacted by Section 22 of this act, for Teacher Salary
40 Increases for the 1992-93 fiscal year funds necessary to implement subsection (a) of this
41 section, including funds for the employer's retirement and social security contributions.

42 Sec. 24. If approved by the qualified voters of the State of North Carolina,
43 Sections 22 through 23.17 and 26 of this act become effective January 1, 1993. The
44 question of the approval of Sections 22 through 23.17 and 26 of this act shall be

1 submitted to the qualified voters of the State of North Carolina at an election on
2 November 3, 1992.

3 The referendum shall be held in accordance with the provisions of Chapter
4 163 of the General Statutes, and the form of the ballot shall be:

5 "[] FOR approval of an act establishing a North Carolina State Lottery.

6 [] AGAINST approval of an act establishing a North Carolina State
7 Lottery."

8 If less than a majority of the votes are cast in favor of the approval of Sections 22
9 through 23.17 and 26 of this act, they shall have no force or effect.

10 Sec. 25. Nothing in Sections 22 through 23.17 and 26 of this act shall be
11 construed to obligate the General Assembly to make additional appropriations to
12 implement the provisions of those sections.

13 Sec. 26. The North Carolina State Lottery Commission shall determine an
14 estimate of the initial working capital and submit that estimate to the the Office of State
15 Budget and Management for approval. After approval is granted by the Office of State
16 Budget and Management, and with the written approval of the State Treasurer, the State
17 Controller shall advance the approved funds by internal borrowing from other available
18 State funds. The terms and conditions of the temporary loan or loans shall be
19 determined by the Office of State Budget and Management.

20 Sec. 27. This act becomes effective July 1, 1992, except that Sections 22
21 through 26 are effective upon ratification except as provided therein.