

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 6

Short Title: Preservation of Local Revenues Act of 2003. (Public)

Sponsors: Representatives Baker; Allred, Frye, Gillespie, Gorman, Hilton, Justus, McGee, McHenry, Moore, Pate, Preston, Rhodes, Sauls, Sexton, Stiller, and Walend.

Referred to:

February 13, 2003

A BILL TO BE ENTITLED

1
2 AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION, SUBJECT TO
3 APPROVAL OF THE VOTERS OF THE STATE, TO PROTECT LOCAL
4 GOVERNMENT REVENUES COLLECTED BY THE STATE FOR LOCAL
5 GOVERNMENTS AND TO PROTECT LOCAL GOVERNMENT
6 REIMBURSEMENTS AND APPROPRIATIONS AUTHORIZED BY THE
7 GENERAL ASSEMBLY.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** Section 5(3) of Article III of the North Carolina Constitution
10 reads as rewritten:

11 "(3) Budget. The Governor shall prepare and recommend to the General Assembly
12 a comprehensive budget of the anticipated revenue and proposed expenditures of the
13 State for the ensuing fiscal period. The budget as enacted by the General Assembly shall
14 be administered by the Governor.

15 The total expenditures of the State for the fiscal period covered by the budget shall
16 not exceed the total of receipts during that fiscal period and the surplus remaining in the
17 State Treasury at the beginning of the period. To insure that the State does not incur a
18 deficit for any fiscal period, the Governor shall continually survey the collection of the
19 revenue and shall effect the necessary economies in State expenditures, after first
20 making adequate provision for the prompt payment of the principal of and interest on
21 bonds and notes of the State according to their terms, whenever ~~he~~the Governor
22 determines that receipts during the fiscal period, when added to any surplus remaining
23 in the State Treasury at the beginning of the period, will not be sufficient to meet
24 budgeted expenditures. This section shall not be construed to impair the power of the
25 State to issue its bonds and notes within the limitations imposed in Article V of this
26 Constitution, nor to impair the obligation of bonds and notes of the State now
27 outstanding or issued hereafter. Unless authorized by an act of the General Assembly,

1 the Governor may not withhold from distribution funds that have been collected by the
2 State on behalf of a unit of local government or funds the General Assembly has
3 appropriated or otherwise committed to a unit of local government."

4 **SECTION 2.** The amendment set out in Section 1 of this act shall be
5 submitted to the qualified voters of the State at the next statewide primary, general, or
6 special election, which election shall be conducted under the laws then governing
7 elections in the State. Ballots, voting systems, or both may be used in accordance with
8 Chapter 163 of the General Statutes. The question to be used in the voting systems and
9 ballots shall be:

10 FOR AGAINST

11 Constitutional amendment providing that the Governor's power to reduce
12 expenditures to balance the budget does not include the power to withhold funds
13 designated for distribution to local governments."

14 **SECTION 3.** If a majority of the votes cast on the question are in favor of
15 the amendment set out in Section 1 of this act, the State Board of Elections shall certify
16 the amendment to the Secretary of State. The amendment becomes effective upon this
17 certification. The Secretary of State shall enroll the amendment so certified among the
18 permanent records of that office.

19 **SECTION 4.** This act is effective when it becomes law.