

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 366 (First Edition)

SHORT TITLE: Compact/Balanced Budget.

SPONSOR(S): Representative Millis

FISCAL IMPACT					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
General Fund Revenues:					
General Fund Expenditures:	\$3,155.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	(\$3,155.00)	\$0.00	\$0.00	\$0.00	\$0.00

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:
Office of the Governor

EFFECTIVE DATE: When the bill becomes law

TECHNICAL CONSIDERATIONS:
None

BILL SUMMARY: This bill creates Article 80, Compact for a Balanced Budget, in § 143. It requires the State of North Carolina to enact, adopt, and agree to be bound by the specified Compact for a Balanced Budget. The Compact sets out rules and procedures for the State's use of the power to originate a Balanced Budget Amendment under Article V of the United States Constitution. The Amendment addresses federal budget and debt allowances. It requires that total US government expenditures not exceed receipts, unless the difference is financed by debt that is authorized as prescribed in the Amendment. It also sets out the procedures by which Congress could increase authorized debt or create new or increased general revenue tax.

If three-fourths of all states join the Compact, an appeal will be made to Congress to call the Convention as prescribed in the bill to approve the Balanced Budget Amendment. Unless otherwise specified by Congress in its call to convene, the Convention will be held in Dallas, Texas and commence at 9:00 a.m. Central Standard Time on the sixth Wednesday after the latter of the effective date of Article V of the Compact or the enactment date of the Congressional resolution calling the Convention. The Convention is set to adjourn 24 hours after commencing proceedings. Each member state receives one vote and may send one delegate, the Chief Executive Officer of the State.

If the amendment does not occur within seven years of the first member state passing enacting legislation, the Compact will be terminated, with that date occurring April 12, 2021.

ASSUMPTIONS AND METHODOLOGY: The fiscal analysis assumes that the Governor of North Carolina and support staff will travel to Dallas, Texas for the Convention during Fiscal Year 2015-16. The total fiscal impact estimate of this bill is \$3,155.00. The estimate is based on subsistence and air fare costs provided for four travelers. The travelers include the Governor, two security members (one member to arrive one day in advance of the Governor for a security check and one member to travel with the Governor), and one staff member. The estimates and number of travelers, unless otherwise noted, were provided by the Office of the Governor.

- **Subsistence: \$1,155.00**
 - Meals: \$155.00 total, or \$38.75 per person for one security member and one staff member for one day. For the security member who arrives in advance, \$38.75 is paid in allowance for meals for two days for a total of \$77.50. The Governor's meals are included in the monthly travel allowance set in § 147-11.
 - Lodging: \$1,000.00 total, or \$200.00 per person for the Governor, one security member, and one staff member for one night. For the security member who arrives in advance, \$200.00 is paid in allowance for lodging per night for a total of two nights or \$400.00.

- **Air fare: \$2,000.00**

The air fare estimate is \$500.00 per person for four travelers. The estimate includes round-trip air fare from Raleigh-Durham International Airport to Dallas/Fort Worth International Airport, based on average flight costs from the US Department of Transportation.

The analysis assumes that three-fourths of all states will join the Compact and the Convention will be called in Fiscal Year 2015-16. However, the Convention could be called at a later date, thus moving the total cost to the appropriate fiscal year. In addition, if the Balanced Budget Amendment does not occur by April 12, 2021, the Compact is terminated and there would be no cost to the State.

SOURCES OF DATA: North Carolina Office of the Governor, United States Department of Transportation Bureau of Transportation Statistics

TECHNICAL CONSIDERATIONS: None

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DATE: April 24, 2015

Signed Copy Located in the NCGA Principal Clerk's Offices