

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE DRS55299-LH-175 (02/10)

Short Title: Limit General Fund Expenditures.

(Public)

Sponsors: Senator Berger of Rockingham.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT GENERAL FUND EXPENDITURES SHALL NOT EXCEED REVENUE FOR THE PREVIOUS CALENDAR YEAR AND TO PROVIDE THAT ANY POSITIVE BALANCE IN THE GENERAL FUND AFTER TRANSFERRING FUNDS TO THE SAVINGS RESERVE ACCOUNT AND THE REPAIRS AND RENOVATIONS ACCOUNT MAY BE APPROPRIATED ONLY FOR TAXPAYER REFUNDS, CAPITAL IMPROVEMENTS, OR TO REPAY THE STATE'S INDEBTEDNESS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 4 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"§ 143C-4-8. General Fund expenditures shall not exceed revenue collection from previous calendar year.

(a) Except as otherwise provided in subsection (b) of this section, General Fund expenditures for a fiscal year shall not exceed the total amount of General Fund tax and nontax revenue for the previous calendar year. On or before January 31 each year, the State Controller shall ascertain the amount of tax and nontax revenue credited to the General Fund during the previous calendar year and shall notify the Governor and the General Assembly of that amount. The Governor and the General Assembly shall thereafter consider that amount to be a limitation on General Fund appropriations for the fiscal year that immediately follows.

(b) If the General Assembly finds that the expenditure limitation set forth in subsection (a) above would, after transfers to the Savings Reserve Account pursuant to G.S. 143C-4-2 and the Repair and Renovations Reserve Account pursuant to G.S. 143C-4-3, result in a positive year-end unreserved General Fund credit balance, the General Assembly may appropriate that balance for the following purposes only:

- (1) Taxpayer refunds;
- (2) Capital improvements; or
- (3) Repayment of the State's indebtedness.

SECTION 2. This act becomes effective July 1, 2009.

