

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 149

Short Title: Lapsed Salaries Revert. (Public)

Sponsors: Senators Brock; and Hunt.

Referred to: Appropriations/Base Budget.

February 12, 2009

A BILL TO BE ENTITLED

AN ACT TO REVERT LAPSED SALARIES TO THE GENERAL FUND FOR THE RAINY DAY FUND AND TO ENCOURAGE ACCURACY IN BUDGETING BY CORRECTLY FUNDING SALARIES AND SALARY-RELATED EXPENDITURES FOR STATE EMPLOYEES AND TEACHERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 143C-4-2 is amended by adding a new subsection to read:

"(a1) Notwithstanding any other provision of law, on June 30 each year, funds available from lapsed salaries shall revert to the General Fund pursuant to G.S. 143C-6-9. The Director of the Budget shall credit those funds to the Savings Reserve Account on or before August 1 each year."

**SECTION 2.** G.S. 143C-6-9 reads as rewritten:

"~~§ 143C-6-9. Use of lapsed salary savings.~~ **Lapsed salaries funds revert.**

~~Lapsed salary savings may be expended only for nonrecurring purposes or line items.~~ funds shall revert to the General Fund on June 30 each year."

**SECTION 3.** G.S. 116-30.3 is amended by adding a new subsection to read:

"(f) This section does not apply to lapsed salaries funds, which shall revert to the General Fund on June 30 each year pursuant to G.S. 143C-6-9."

**SECTION 4.** Beginning with the 2009-2010 fiscal year and every fiscal year thereafter, it is the intent of the General Assembly to provide for more accurate budgeting by fully funding certain line-item expenditure accounts in the personal services area that, in prior fiscal years, have been funded from lapsed salaries. Examples of these accounts are workers' compensation expenditures and temporary salary expenditures.

**SECTION 5.** Sections 1, 2, and 3 of this act become effective June 30, 2010. The remainder of this act is effective when it becomes law.

