

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 1532**

Short Title: Constitution Prohibit Holding Local Funds. (Public)

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Sponsors: Representatives Warner; Church, Morris, Owens, Bowie, Buchanan, M. Crawford, and Lucas.

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Referred to: Rules, Calendar, and Operations of the House.

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June 5, 2002

A BILL TO BE ENTITLED

1 AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION, SUBJECT TO  
2 APPROVAL OF THE VOTERS OF THE STATE, TO PROHIBIT THE  
3 GOVERNOR FROM WITHHOLDING LOCAL FUNDS.  
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5 The General Assembly of North Carolina enacts:

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

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

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

