

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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HOUSE BILL 1756

Short Title: Revenue Estimates Limited.

(Public)

Sponsors: Representatives Shubert; Davis and Johnson.

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

June 17, 2002

A BILL TO BE ENTITLED

1
2 AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO PROVIDE
3 THAT IN ADOPTING A BUDGET, THE GENERAL ASSEMBLY MAY NOT
4 USE REVENUE ESTIMATES HIGHER THAN THE AMOUNT COLLECTED IN
5 THE PRIOR CALENDAR YEAR, EXCEPT WITH A TWO-THIRDS VOTE OF
6 EACH HOUSE, AND PROVIDING THAT EXCESS COLLECTIONS SHALL BE
7 PLACED IN A RESERVE FUND.

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 In enacting a budget, the estimated revenue may not exceed the total collections in
16 the previous calendar year, except that the General Assembly by two-thirds vote of all
17 the members of each house may appropriate a higher amount from reserves. If the
18 revenue for the fiscal year exceeds the estimate, the excess shall be deposited in a
19 reserve in the State treasury, to be expended as provided by law.

20 The total expenditures of the State for the fiscal period covered by the budget shall
21 not exceed the total of receipts during that fiscal period and the surplus remaining in the
22 State Treasury at the beginning of the period. To insure that the State does not incur a
23 deficit for any fiscal period, the Governor shall continually survey the collection of the
24 revenue and shall effect the necessary economies in State expenditures, after first
25 making adequate provision for the prompt payment of the principal of and interest on
26 bonds and notes of the State according to their terms, whenever he determines that
27 receipts during the fiscal period, when added to any surplus remaining in the State
28 Treasury at the beginning of the period, will not be sufficient to meet budgeted
29 expenditures. This section shall not be construed to impair the power of the State to

1 issue its bonds and notes within the limitations imposed in Article V of this
2 Constitution, nor to impair the obligation of bonds and notes of the State now
3 outstanding or issued hereafter."

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 general election,
6 which election shall be conducted under the laws then governing elections in the State.
7 Ballots, voting systems, or both may be used in accordance with Chapter 163 of the
8 General Statutes. The question to be used in the voting systems and ballots shall be:

9 " FOR AGAINST

10 Constitutional amendment limiting General Assembly in estimating revenue
11 in the budget to the amount collected in the prior calendar year, and providing that
12 excess receipts shall be placed in a reserve fund."

13 **SECTION 3.** If a majority of votes cast on the question are in favor of the
14 amendment set out in Section 1 of this act, the State Board of Elections shall certify the
15 amendment to the Secretary of State whereupon the amendment shall become effective.
16 The constitutional amendment shall apply beginning with budgets enacted by the
17 Regular Session of the General Assembly in 2003.

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