

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 1277

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

Sponsors: Senators Allran; Ballantine, Berger, Bingham, Carpenter, Carrington, Forrester, Foxx, Garwood, Hartsell, Moore, Rucho, Shaw of Guilford, and Webster.

Referred to: Rules and Operations of the Senate.

June 6, 2002

A BILL TO BE ENTITLED

AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION, SUBJECT TO APPROVAL OF THE VOTERS OF THE STATE, TO PROHIBIT THE GOVERNOR FROM WITHHOLDING LOCAL FUNDS.

The General Assembly of North Carolina enacts:

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

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

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

