

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 709
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10342-MCxfy-176

Short Title: Taxpayer Protection Act. (Public)

Sponsors: Representative Riddell.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO PROTECT THE TAXPAYERS OF NORTH CAROLINA WITH
3 CONSTITUTIONAL LIMITS ON THE GROWTH OF STATE SPENDING.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** The North Carolina Constitution is amended by adding a new Article
6 to read:

7 "ARTICLE XV

8 "TAXPAYERS' PROTECTION ACT

9 "**Section 1. Definitions.**

10 The following definitions apply in this Article:

- 11 (a) Fiscal year. – Any accounting period consisting of 12 consecutive months.
- 12 (b) Fiscal year spending. – The total amount of monies appropriated by the State,
13 not including the following:
- 14 1. Appropriations funded by monies received from the federal
15 government.
- 16 2. Principal and interest on bonded indebtedness.
- 17 3. Appropriations funded by unemployment and disability insurance
18 funds.
- 19 4. Appropriations funded by discretionary user charges to the extent that
20 the charges do not exceed the cost of the goods or services and their
21 purchase by the user is discretionary.
- 22 5. Appropriations funded from permanent endowments, trust funds, or
23 pension funds.
- 24 6. Proceeds of gifts or bequests made for purposes specified by the donor.
- 25 7. Monies appropriated for tax relief.
- 26 (c) Inflation. – The percentage change in the Consumer Price Index for the United
27 States for each calendar year as published by the Federal Bureau of Labor
28 Statistics.
- 29 (d) Population. – The number of people residing in the State, excluding Armed
30 Forces stationed overseas, as determined by the United States Census Bureau
31 based on decennial census figures or as estimated annually by the United
32 States Census Bureau.

33 "**Sec. 2. Spending limits.**

34 (1) Fiscal year spending limit. – The maximum annual percentage change in State fiscal
35 year spending equals inflation plus the percentage change in State population in the prior calendar
36 year.



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1 (2) Modification by super majority vote. – The General Assembly may vote to increase
2 the fiscal year spending limit established under this Section. An increase in the fiscal year
3 spending limit must be approved by a two-thirds majority of the members of each house of the
4 General Assembly."

5 **SECTION 2.** The amendment set out in Section 1 of this act shall be submitted to
6 the qualified voters of the State at the general election in 2022, which election shall be conducted
7 under the laws then governing elections in the State. Ballots, voting systems, or both may be used
8 in accordance with Chapter 163 of the General Statutes. The question to be used in the voting
9 systems and ballots shall be:

10 " FOR AGAINST

11 Constitutional amendment limiting the annual growth of the State budget to a
12 percentage equal to the sum of annual inflation and the State's annual population growth rate
13 unless increased in a year in which two-thirds of both chambers of the General Assembly votes
14 in favor of the increase."

15 **SECTION 3.** If a majority of votes cast on the question are in favor of the amendment
16 set out in Section 1 of this act, the State Board of Elections shall certify the amendment to the
17 Secretary of State. The Secretary of State shall enroll the amendment so certified among the
18 permanent records of that office. The amendment set out in Section 1 of this act becomes
19 effective upon certification and applies to fiscal years beginning on or after that date.

20 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes
21 law.