

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 927

Short Title: Legislative Budget Commission.

(Public)

Sponsors: Senator Royall.

Referred to: Appropriations.

May 13, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR THE LEGISLATIVE BUDGET
3 COMMISSION.

4 The General Assembly of North Carolina enacts:

5 Section 1. Chapter 120 of the General Statutes is amended by adding a new
6 Article to read:

7 **“ARTICLE 22.**

8 **“LEGISLATIVE BUDGET COMMISSION.**

9 **“§ 120-192. Establishment of Commission; purpose.**

10 There is established the Legislative Budget Commission. The purpose of the
11 Commission is to provide to the General Assembly the information it needs (i) to
12 consider the comprehensive budget of the anticipated revenue and proposed
13 expenditures of the State submitted to it by the Governor, and (ii) to enact a balanced
14 budget for the State.

15 **“§ 120-193. Definitions.**

16 As used in this Article:

- 17 (1) ‘State agency’ means all institutions, departments, bureaus, boards,
18 commissions, and agencies of the State and all private corporations,
19 persons, and organizations of all kinds, that are subject to the
20 provisions of the Executive Budget Act.

- 21 (2) ‘State funds’ means State funds as defined in G.S. 143-1.

22 **“§ 102-194. Appointment of members; terms of office.**

23 The Commission shall consist of six Senators appointed by the President Pro
24 Tempore of the Senate and six members of the House of Representatives appointed by

1 the Speaker of the House of Representatives. Members shall serve two-year terms
2 beginning and ending on the convening of the General Assembly in each odd-numbered
3 year, except that the terms of the initial members shall begin on appointment and end on
4 the day of the convening of the 1993 General Assembly. Members may complete a
5 term of service on the Committee even if they do not seek reelection or are not reelected
6 to the General Assembly, but resignation or removal from service in the General
7 Assembly constitutes resignation or removal from service on the Committee.

8 A member continues to serve until his successor is appointed. A vacancy shall be
9 filled within 30 days by the officer who made the original appointment.

10 **"§ 120-195. Powers and duties of the Commission.**

11 The Commission shall have the following powers and duties:

- 12 (1) To study on a continuing basis the budgeting operations and
13 procedures of the State;
- 14 (2) To review the budget, expenditures, and future fiscal needs of all State
15 agencies;
- 16 (3) To require State agencies to submit to the Commission, in any form
17 and at any time as the Commission directs, any information the
18 Commission desires in relation to the agencies' activities or fiscal
19 affairs;
- 20 (4) To require the Director of the Budget, the State Auditor, and the State
21 Controller to furnish the Commission any special or periodic audits,
22 financial statements, or program evaluations as the Commission may
23 request;
- 24 (5) To require all State agencies that issue negotiable revenue bonds to
25 report their intent to issue and their reissuance of the bonds;
- 26 (6) To require the Secretary of Revenue to submit to the Commission a
27 copy of (i) the biennial State tax report, (ii) the Department's proposed
28 amendments to the Revenue and Machinery Acts, and (iii) the
29 Department's estimates of revenues;
- 30 (7) To require the State Treasurer to (i) report monthly on the investment
31 earnings of all funds under his control, (ii) provide his estimate of
32 investment earnings for the upcoming fiscal year, and (iii) provide any
33 information requested on fund investments.
- 34 (8) To require the Board of Governors of The University of North
35 Carolina to submit a copy of the Board's long-range plans for a
36 coordinated system of higher education;
- 37 (9) To require the Board of Governors of The University of North
38 Carolina to report prior to any allocation or reallocation of any lump-
39 sum appropriations to the University and prior to any transfer of funds
40 from one institution to another;
- 41 (10) To require the Director of the Budget to report prior to authorizing the
42 trustees of any endowment fund to satisfy any expense or financial
43 obligation of the State from any source other than the fund;

- 1 (11) To require all State agencies to report prior to closing a State
2 institution that is funded in whole or in part with State or federal funds;
- 3 (12) To require the North Carolina Low-Level Radioactive Waste
4 Management Authority and the North Carolina Hazardous Waste
5 Management Commission to report prior to increasing total
6 outstanding indebtedness, excluding bonding indebtedness, to over
7 five hundred thousand dollars (\$500,000);
- 8 (13) To require the North Carolina Energy Development Authority to report
9 prior to spending funds from the Energy Fund and prior to pledging
10 the assets of the Energy Fund as security for bonds;
- 11 (14) To examine any State agency, inspect its property, and inquire into its
12 method of operation and management;
- 13 (15) To make a biennial inspection of those physical facilities of the State it
14 deems necessary;
- 15 (16) To require all State agencies receiving State funds or requesting State
16 funds to furnish the Commission with all the information, data, and
17 estimates it may request with reference to past, present, and future
18 appropriations and expenditures, receipts, revenues, and income;
- 19 (17) To require local governments that spend State funds to operate local
20 programs to provide necessary information to the Commission to
21 establish the necessary continuation and expansion costs;
- 22 (18) To require the Director of the Budget to report on requests to increase
23 the cost of or decrease the scope of a capital improvement project prior
24 to acting on the request;
- 25 (19) To require the Director of the Budget to report on requests to authorize
26 the construction of a capital improvement project not specifically
27 authorized by the General Assembly, prior to acting on the request;
- 28 (20) To require the Director of the Budget to report prior to taking any
29 actions to reduce appropriations pro rata pursuant to G.S. 143-25 and
30 to report on any actions taken in accordance with Article III, Section
31 5(3) of the Constitution to ensure that the budget is balanced.
- 32 (21) To review copies submitted to the Office of State Budget and
33 Management of all applications and requests for non-State funds for
34 projects and programs that do or may impose upon the State any
35 substantial financial obligation at the time of or subsequent to the
36 acceptance of any funds upon the application or request;
- 37 (22) To review any preliminary studies and cost estimates for capital
38 construction prepared by the Department of Administration at the
39 request of any State agency;
- 40 (23) To review any appropriations requests for grants-in-aid submitted by
41 non-State health and welfare agencies through the Department of
42 Human Resources;
- 43 (24) To prepare a report in the form of a proposed budget for the State;
- 44 (25) To report the results of its work to the General Assembly; and

1 (26) To request any other information and perform any studies the
2 Commission deems necessary to accomplish the purpose of this
3 Article.

4 **"§ 120-196. Organization of Commission.**

5 (a) The President Pro Tempore of the Senate and the Speaker of the House of
6 Representatives shall each designate a cochairman of the Legislative Budget
7 Commission. Either of the cochairmen may call a meeting of the Commission.

8 (b) While in the discharge of its official duties, the Commission has the powers
9 of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

10 (c) Members of the Commission shall receive subsistence and travel expenses as
11 provided in G.S. 120-3.1. The Commission may contract for consultants or hire
12 employees in accordance with G.S. 120-32.02. The Legislative Services Commission,
13 through the Legislative Administrative Officer, shall assign professional staff to assist
14 the Commission in its work. Upon the direction of the Legislative Services
15 Commission, the Supervisors of Clerks of the Senate and of the House of
16 Representatives shall assign clerical staff to the Commission. The expenses for clerical
17 employees shall be borne by the Commission."

18 Sec. 2. G.S. 143-318.18 is amended by adding a new subdivision to read:

19 "(4a) The Legislative Budget Commission."

20 Sec. 3. There is appropriated from the General Fund to the General
21 Assembly the sum of \$100,000 for the 1991-92 fiscal year and the sum of \$100,000 for
22 the 1992-93 fiscal year for the operations of the Legislative Budget Commission.

23 Sec. 4. This act becomes effective July 1, 1991.