

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1991

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SENATE BILL 927
Appropriations Committee Substitute Adopted 7/16/92

Short Title: Legislative Budget Commission.

(Public)

Sponsors:

Referred to:

May 13, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE LEGISLATIVE BUDGET COMMISSION.
3 The General Assembly of North Carolina enacts:

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

“ARTICLE 22.

“LEGISLATIVE BUDGET COMMISSION.

8 **“§ 120-192. Establishment of Commission; purpose.**

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

14 **“§ 120-193. Definitions.**

15 As used in this Article:

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

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

21 **“§ 102-194. Appointment of members; terms of office.**

1 The Commission shall consist of eight members of the Senate appointed by the
2 President Pro Tempore of the Senate, at least one of whom shall be a chairman of an
3 appropriations committee and at least one of whom shall be a chairman of a finance
4 committee, and eight members of the House of Representatives appointed by the
5 Speaker of the House of Representatives, at least one of whom shall be a chairman of an
6 appropriations committee and at least one of whom shall be a chairman of a finance
7 committee. Members shall serve two-year terms beginning and ending on the
8 convening of the General Assembly in each odd-numbered year, except that the terms of
9 the initial members shall begin on appointment and end on the day of the convening of
10 the 1993 General Assembly. Members may complete a term of service on the
11 Committee even if they do not seek reelection or are not reelected to the General
12 Assembly, but resignation or removal from service in the General Assembly constitutes
13 resignation or removal from service on the Committee.

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

16 **"§ 120-195. Powers and duties of the Commission.**

17 The Commission is authorized:

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

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

- 1 (23) To review any appropriations requests for grants-in-aid submitted by
2 non-State health and welfare agencies through the Department of
3 Human Resources;
4 (24) To prepare a report in the form of a proposed budget for the State;
5 (25) To report the results of its work to the General Assembly; and
6 (26) To request any other information and perform any studies the
7 Commission deems necessary to accomplish the purpose of this
8 Article.

9 **"§ 120-196. Organization of Commission.**

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

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

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

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

24 "(4d) The Legislative Budget Commission."

25 Sec. 3. The Legislative Services Commission may use funds available to the
26 General Assembly for the 1992-93 fiscal year for the operations of the Legislative
27 Budget Commission.

28 Sec. 4. This act is effective upon ratification.