

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 927
Appropriations Committee Substitute Adopted 7/16/92
Third Edition Engrossed 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:

6 **“ARTICLE 22.**
7 **“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. The minority party in the Senate and the House shall have proportional
8 representation on the Commission. Members shall serve two-year terms beginning and
9 ending on the convening of the General Assembly in each odd-numbered year, except
10 that the terms of the initial members shall begin on appointment and end on the day of
11 the convening of the 1993 General Assembly. Members may complete a term of
12 service on the Committee even if they do not seek reelection or are not reelected to the
13 General Assembly, but resignation or removal from service in the General Assembly
14 constitutes resignation or removal from service on the Committee.

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

17 **§ 120-195. Powers and duties of the Commission.**

18 The Commission is authorized:

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

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

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

12 **"§ 120-196. Organization of Commission.**

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

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

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

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

27 "(4d) The Legislative Budget Commission."

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

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