

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1468

Short Title: Gov. Capital Budget '93.

(Public)

Sponsors: Representatives Nesbitt, Diamont; and Bowman.

Referred to: Appropriations.

May 17, 1993

A BILL TO BE ENTITLED

AN ACT TO MAKE APPROPRIATIONS TO PROVIDE CAPITAL IMPROVEMENTS AND OTHER NONRECURRING EXPENDITURES FOR STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES.

The General Assembly of North Carolina enacts:

INTRODUCTION

Section 1. The appropriations made by the 1993 General Assembly for capital improvements are for constructing, repairing, or renovating State buildings, utilities, and other capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and land for State government purposes.

TITLE

Sec. 2. This act shall be known as "The Capital Improvement Appropriations Act of 1993".

PROCEDURES FOR DISBURSEMENTS

Sec. 3. The appropriations made by the 1993 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution, or agency, until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the Executive Budget Act, Article I of Chapter 143 of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the

1 Director of the Budget shall approve the elements of the method of financing of those
2 projects including the source of funds, interest rate, and liquidation period.

3 Where direct capital improvement appropriations include the purpose of
4 furnishing fixed and movable equipment for any project, those funds for equipment
5 shall not be subject to transfer into construction accounts except as authorized by the
6 Director of the Budget. The expenditure of funds for fixed and movable equipment and
7 furnishings shall be reviewed and approved by the Director of the Budget prior to
8 commitment of funds.

9 Capital improvement projects authorized by the 1993 General Assembly shall
10 be completed, including fixed and movable equipment and furnishings, within the limits
11 of the amounts of the direct or self-liquidating appropriations provided, except as
12 otherwise provided in this act. Capital improvement projects authorized by the 1993
13 General Assembly for the design phase only shall be designed within the scope of the
14 project as defined by the approved cost estimate filed with the Director of the Budget,
15 including costs associated with site preparation, demolition, movable and fixed
16 equipment, and works of art as required by G.S. 143-408.4.

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18 **ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND**

19 Sec. 4. When each capital improvement project appropriated by the 1993
20 General Assembly, other than those projects under The University of North Carolina
21 Board of Governors, is placed under construction contract, direct appropriations shall be
22 encumbered to include all costs for construction, design, investigation, administration,
23 movable equipment, and a reasonable contingency. Unencumbered direct
24 appropriations remaining in the project budget shall be placed in a project reserve fund
25 credited to the Office of State Budget and Management. Funds in the Project Reserve
26 may be used for emergency repair and renovation projects at State facilities with the
27 approval by the Director of the Budget. The Project Reserve Fund may be used, at the
28 discretion of the Director of the Budget, to allow for award of contracts where bids
29 exceed appropriated funds, if those projects supplemented were designed within the
30 physical scope intended by the applicable appropriation or any authorized change in it,
31 and if, in the opinion of the Director of the Budget, all means to award contracts within
32 the appropriation were reasonably attempted. At the discretion of the Director of the
33 Budget any balances in the Project Reserve Fund shall revert to the original source.

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35 **PROJECT COST INCREASE**

36 Sec. 5. Upon the request of the administration of a State department or
37 institution, the Director of the Budget may, when in his opinion it is in the best interest
38 of the State to do so, increase the cost of a capital improvement project. The increase
39 may be funded from gifts, federal or private grants, special fund receipts, excess patient
40 receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill,
41 or direct capital improvement appropriations to that department or institution.

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43 **NEW PROJECT AUTHORIZATION**

1 Sec. 6. Upon the request of the administration of any State department or
2 institution, the Governor may authorize the construction of a capital improvement
3 project not specifically authorized by the General Assembly if such project is to be
4 funded by gifts, federal or private grants, special fund receipts, excess patient receipts
5 above those budgeted at University of North Carolina Hospitals at Chapel Hill, or self-
6 liquidating indebtedness.

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8 **ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS**

9 Sec. 7. Funds which become available by gifts, excess patient receipts above
10 those budgeted at University of North Carolina Hospitals at Chapel Hill, federal or
11 private grants, receipts becoming a part of special funds by act of the General Assembly
12 or any other funds available to a State department or institution may be utilized for
13 advance planning through the working drawing phase of capital improvement projects,
14 upon approval of the Director of the Budget. The Director of the Budget may make
15 allocations from the Advance Planning Fund for advance planning through the working
16 drawing phase of capital improvement projects, except that this revolving fund may not
17 be utilized by the Board of Governors of The University of North Carolina or the State
18 Board of Community Colleges.

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20 **APPROPRIATIONS LIMITS/REVERSION OR LAPSE**

21 Sec. 8. Except as permitted in previous sections of this act, the appropriations
22 for capital improvements made by the 1993 General Assembly may be expended only
23 for specific projects set out by the 1993 General Assembly and for no other purpose.
24 Construction of all capital improvement projects enumerated by the 1993 General
25 Assembly shall be commenced, or self-liquidating indebtedness with respect to them
26 shall be incurred, within 12 months following the first day of the fiscal year in which
27 the funds are available. If construction contracts on those projects have not been
28 awarded or self-liquidating indebtedness has not been incurred within that period, the
29 direct appropriation for those projects shall revert to the original source, and the self-
30 liquidating appropriation shall lapse; except that direct appropriations may be placed in
31 a reserve fund as authorized by this act. This deadline with respect to both direct and
32 self-liquidating appropriations may be extended with the approval of the Director of the
33 Budget up to an additional 12 months if circumstances and conditions warrant such
34 extension.

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36 **EFFECTIVE DATE**

37 Sec. 9. This act becomes effective July 1, 1993.