



1 Section 1. (a) The State and Local Government Fiscal Relations Study  
2 Commission is established to study whether North Carolina's current system of shared  
3 responsibility for administering and financing public services is meeting the needs of the  
4 State and its communities, and how that system might be improved to make the provision  
5 of public services more effective, efficient, and equitable. The Commission shall consist  
6 of 10 members, as follows:

- 7 (1) The President Pro Tempore of the Senate;
- 8 (2) The Speaker of the House of Representatives;
- 9 (3) Four Senators appointed by the President Pro Tempore of the Senate;  
10 and
- 11 (4) Four Representatives appointed by the Speaker of the House of  
12 Representatives.

13 (b) Appointment to the Commission shall be made before September 15, 1995.  
14 The first meeting of the Commission shall be held no later than October 13, 1995.

15 (c) The President Pro Tempore of the Senate and the Speaker of the House of  
16 Representatives shall serve as cochair of the Commission.

17 Sec. 2. (a) The Commission is authorized to review the current responsibilities  
18 of State agencies and units of local government for administering, financing, and making  
19 decisions about public services. It shall give particular attention to those statewide  
20 services that are administered by counties on behalf of the State, such as public education  
21 at both the K-12 level and through the community college system; public health; mental  
22 health, developmental disabilities, and substance abuse services; and social services  
23 programs. It may also consider services that once were administered by local  
24 governments, such as secondary roads; services that are primarily provided by the State  
25 but have some component of local responsibility, such as court facilities; and other public  
26 services that are provided and financed primarily by local governments, such as law  
27 enforcement, city streets, solid waste collection and disposal, and water and sewer  
28 services.

29 (b) In reviewing the allocation of responsibility for public services among the  
30 State and its local governments, the Commission shall address the following issues:

- 31 (1) Whether all or some portion of the service could be more effectively  
32 and efficiently provided by the private sector, with or without some  
33 form of public-private partnership;
- 34 (2) Which level of government and which units within each level should be  
35 made responsible for providing and administering the service;
- 36 (3) Whether revenues needed to finance the service should come from the  
37 State or its local governments, or from some combination of State and  
38 local revenue sources, and which revenue sources should be used to  
39 finance the service;
- 40 (4) The extent to which local governments should be free to provide the  
41 service or not and at what level of effort;

1 (5) The extent to which the State should impose some degree of uniformity  
2 in levels or quality of service by setting standards and guidelines or  
3 imposing mandates; and

4 (6) How best to address the need to achieve statewide uniformity in the  
5 provision of certain services, such as those required by federal or State  
6 law to be provided uniformly throughout the State, while at the same  
7 time providing local governments with the flexibility needed to  
8 administer the programs effectively.

9 (c) In reviewing how public services are financed, the Commission shall conduct a  
10 review of all sources of revenue available to local governments, including locally levied  
11 taxes, charges, fees, intergovernmental revenues, and State revenues shared with local  
12 governments. This review shall include consideration of:

13 (1) Current trends in local government spending and revenues;

14 (2) The extent to which existing local revenue sources are or can be made  
15 responsive to changes in the demand for services;

16 (3) The extent to which existing local revenue sources allocate the burden  
17 of financing public services in a just and equitable manner;

18 (4) Whether additional sources of revenue for local governments are  
19 needed;

20 (5) Current State policy and practice with respect to mandating provision of  
21 public services at the local level without commensurate support from  
22 State-collected revenues; and

23 (6) Current State policy and practice with respect to distributing State-  
24 collected revenues to local governments to compensate for legislated  
25 changes in local revenue sources.

26 Sec. 3. The Commission may make an interim report of its findings and  
27 recommendations to the General Assembly on or before the first day of the 1996 Regular  
28 Session. The Commission shall submit a final report of its findings and  
29 recommendations to the General Assembly on or before the first day of the 1997 Session  
30 by filing the report with the President Pro Tempore of the Senate and the Speaker of the  
31 House of Representatives. Upon filing its final report, the Commission shall terminate.

32 Sec. 4. The Commission, while in the discharge of official duties, may  
33 exercise all the powers provided for under the provisions of G.S. 120-19, and G.S. 120-  
34 19.1 through G.S. 120-19.4. The Commission may meet at any time upon the joint call  
35 of the cochairs. The Commission may meet in the Legislative Building or the Legislative  
36 Office Building.

37 Sec. 5. Members of the Commission shall receive subsistence and travel  
38 expenses at the rates set forth in G.S. 120-3.1.

39 Sec. 6. The Commission may contract for professional or consultant services  
40 as provided by G.S. 120-32.02. The House of Representatives' and the Senate's  
41 Supervisors of Clerks shall assign clerical staff to the Commission, upon the direction of  
42 the Legislative Services Commission. The expenses relating to clerical employees shall  
43 be borne by the Legislative Services Commission.

1           Sec. 7. When a vacancy occurs in the membership of the Commission, the  
2 vacancy shall be filled by the same appointing officer who made the initial appointment.

3           Sec. 8. All State departments and agencies and local governments and their  
4 subdivisions shall furnish the Commission with any information in their possession or  
5 available to them.

6           Sec. 9. There is appropriated from the General Fund to the General Assembly  
7 the sum of fifty thousand dollars (\$50,000) for the 1995-96 fiscal year for the expenses of  
8 the Commission.

9           Sec. 10. This act becomes effective July 1, 1995.