

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 737

Judiciary I/Constitution Committee Substitute Adopted 5/4/95

Short Title: Electronic Funds Trans./Counties/AB.

(Public)

Sponsors:

Referred to:

April 17, 1995

A BILL TO BE ENTITLED

AN ACT TO REQUIRE THAT COUNTIES PAY THEIR LOCAL SHARE OF PUBLIC ASSISTANCE PROGRAM BENEFITS BY ELECTRONIC FUNDS TRANSFER.

The General Assembly of North Carolina enacts:

Section 1. G.S. 108A-87 reads as rewritten:

"§ 108A-87. Allocation of nonfederal shares.

(a) The nonfederal share of the annual cost of each public assistance and social services program and related administrative costs may be divided between the State and counties as determined by the General Assembly and in a manner consistent with federal laws and regulations. Counties shall use an electronic funds transfer (EFT) system that uses an electronic draft method to transfer to the State the counties' share of the monthly nonfederal matching requirement. The particular type EFT system to be used shall be determined by the Department of Human Resources and approved by the Department of State Treasurer and the Office of the State Controller. In the event that a county does not honor the electronic draft within five business days after receiving the notice of intent to draft, the Department of Human Resources shall assess the county a penalty and interest set forth in G.S. 147-86.23 until the county honors the electronic draft or the State recovers the funds from taxes due the county, as provided in G.S. 108A-93. The minimum penalty that shall be assessed is twenty-five dollars (\$25.00).

1 (b) The nonfederal share of the annual cost of public assistance and social services
2 programs and related administrative costs provided to Indians living on federal
3 reservations held in trust by the United States on their behalf shall be borne entirely by
4 the State."

5 Sec. 2. G.S. 108A-93 reads as rewritten:

6 "**§ 108A-93. Withholding of State moneys from counties failing to pay public**
7 **assistance costs.**

8 The Director of the Budget is authorized to withhold from any county that does not
9 pay its full share of public assistance costs and related penalties and interest imposed
10 under G.S. 108A-87 to the State and has not arranged for payment pursuant to G.S. 108-
11 54.1 or G.S. 108A-89, any State moneys appropriated from the General Fund for public
12 assistance and related administrative costs, or to direct the Secretary of Revenue and
13 State Treasurer to withhold any tax owed to a county under Article 7 of Chapter 105 of
14 the General Statutes, G.S. 105-113.82, Article 39 of Chapter 105 of the General Statutes
15 or Chapter 1096 of the Session Laws of 1967. The Director of the Budget shall notify the
16 chairman of the board of county commissioners of the proposed action prior to the
17 withholding of funds."

18 Sec. 3. (a) Prior to the effective date of Sections 1 and 2 of this act, the Office
19 of the State Controller shall develop policies and procedures to transmit Department of
20 Human Resources funds by an electronic funds transfer (EFT) process in accordance with
21 G.S. 147-86.11.

22 (b) This section is effective upon ratification.

23 Sec. 4. Unless otherwise specified, this act becomes effective October 1, 1995,
24 and applies to county payments of nonfederal matching public assistance dollars due on
25 or after that date.