

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1849

Short Title: Increase Rainy Day Fund Amount.

(Public)

Sponsors: Representatives Ellis; Capps, Davis, Pope, Rayfield, and Walend.

Referred to: Rules, Calendar, and Operations of the House.

May 30, 2000

A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE AMOUNT IN THE RAINY DAY FUND TO EIGHT
2 PERCENT OF THE GENERAL FUND OPERATING BUDGET FOR THE PRIOR
3 FISCAL YEAR.
4

5 The General Assembly of North Carolina enacts:

6 Section 1.(a) Notwithstanding G.S. 143-15.3(a), the State Controller shall not
7 reserve to the Savings Reserve Account any portion of the unreserved credit balance
8 remaining in the General Fund at the end of the 2000-2001 fiscal year.

9 Section 1.(b) Effective July 1, 2001, G.S. 143-15.3 reads as rewritten:

10 **"§ 143-15.3. Savings Reserve Account.**

11 (a) There is established a Savings Reserve Account as a restricted reserve in the
12 General Fund. ~~The State Controller shall reserve to the Savings Reserve Account one-~~
13 ~~fourth of any unreserved credit balance remaining in the General Fund at the end of each~~
14 ~~fiscal year until the account contains~~ It is the intent of the General Assembly that the
15 Savings Reserve Account contain funds equal to five percent (5%) eight percent (8%) of
16 the amount appropriated the preceding year for the General Fund operating budget,
17 including local government tax-sharing funds, that were directly appropriated. In the
18 event that the one-fourth exceeds the amount necessary to reach the five percent (5%)
19 level, only funds necessary to reach that level shall be reserved. If there are insufficient
20 funds in the unreserved credit balance for the Savings Reserve Account, the Repairs and

1 ~~Renovations Reserve Account, and the Clean Water Management Trust Fund, then the~~
2 ~~requirements of this section shall be complied with first, and any remaining funds shall~~
3 ~~be reserved to the Repairs and Renovations Reserve Account, in accordance with G.S.~~
4 ~~143-15.3A, and the Clean Water Management Trust Fund, in accordance with G.S. 143-~~
5 ~~15.3B.~~

6 (a1) ~~If~~ if, on June 30 of a fiscal year, the balance in the Savings Reserve Account
7 falls is below the five percent (5%) level during a fiscal year, the State Controller shall, in
8 accordance with subsection (a) of this section, reserve to the Savings Reserve Account
9 for the following fiscal years up to one-fourth of any unreserved credit balance remaining
10 in the General Fund at the end of each fiscal year until the account again equals the five
11 percent (5%) level set out in subsection (a) of this section. ~~eight percent (8%) level, the~~
12 ~~General Assembly shall appropriate funds to increase the balance to the eight percent~~
13 ~~(8%) level within four fiscal years.~~

14 (a2) The minimum amount appropriated to the Account for each of the four fiscal
15 years subsequent to a deficiency shall be one-fourth of the amount of the deficiency;
16 therefore, for any fiscal year in which balance in the Savings Reserve Account is below
17 the eight percent (8%) level, there is hereby appropriated from the General Fund to the
18 Savings Reserve Account for each of the four subsequent fiscal years, an amount equal to
19 one-fourth of the amount of the deficiency.

20 It is the intent of the General Assembly to consider the statutory appropriation set out
21 in this subsection a minimum contribution for a fiscal year and to appropriate additional
22 funds each fiscal year to increase the balance in the Savings Reserve Account to the eight
23 percent (8%) level as quickly as possible.

24 (b) The Director may not use funds in the Savings Reserve Account unless the use
25 has been approved by an act of the General Assembly."

26 Section 2. Effective June 30, 2001, G.S. 143-15.2 reads as rewritten:

27 **"§ 143-15.2. Use of General Fund credit balance; priority uses.**

28 (a) As used in G.S. 143-15.3, 143-15.3A, and 143-15.3B, the term "unreserved
29 credit balance" means the credit balance amount, as determined on a cash basis, before
30 funds are reserved by the State Controller to the Savings Reserve Account, the Repairs and
31 Renovations Reserve Account, or Account or the Clean Water Management Trust Fund
32 pursuant to G.S. 143-15.3, 143-15.3A, and 143-15.3B. G.S. 143-15.3A and G.S. 143-15.3B.

33 (b) ~~The State Controller shall transfer funds from the unreserved credit balance to~~
34 ~~the Savings Reserve Account in accordance with G.S. 143-15.3(a).~~

35 (c) The State Controller shall transfer funds from the unreserved credit balance to
36 the Repairs and Renovation Reserve Account in accordance with G.S. 143-15.3A(a).

37 (d) The State Controller shall transfer funds from the unreserved credit balance to
38 the Clean Water Management Trust Fund in accordance with G.S. 143-15.3B(a).

39 (e) The General Assembly may appropriate that part of the anticipated General
40 Fund credit balance not expected to be reserved only for capital improvements or other
41 one-time expenditures."

42 Section 3. This act becomes effective June 30, 2001.