

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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HOUSE BILL 1189

Short Title: Lapsed Salary Funds Revert.

(Public)

Sponsors: Representative Gorman.

Referred to: Appropriations.

April 10, 2003

A BILL TO BE ENTITLED

1 AN ACT AMENDING THE EXECUTIVE BUDGET ACT TO PROVIDE THAT
2 LAPSED SALARIES SHALL REVERT TO THE GENERAL FUND AT THE
3 END OF EACH FISCAL YEAR.
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 143-23(a2) reads as rewritten:

7 "(a2) Funds appropriated for salaries and wages are also subject to the limitation
8 that they may only be used for:

- 9 (1) Salaries and wages or for premium pay, overtime pay, longevity,
10 unemployment compensation, workers' compensation, temporary
11 wages, moving expenses of employees, payment of accumulated
12 annual leave, certain awards to employees, tort claims, and employer's
13 social security, retirement, and hospitalization payments;
- 14 (2) Contracted personal services if (i) the contract is for temporary
15 services or special project services, (ii) the term of the contract does
16 not extend beyond the fiscal year, (iii) the contract does not impose
17 obligations on the State after the end of the fiscal year; and (iv) the
18 total of all overexpenditures for contracted personal services approved
19 in a program for a fiscal year does not exceed the greater of five
20 hundred thousand dollars (\$500,000) or ten percent (10%) of the
21 lapsed salary funds in the program for the fiscal year; and
- 22 (3) Uses for which overexpenditures are permitted by subdivision (2) of
23 subsection (a1) of this section but the Director of the Budget shall
24 include such use and the reason for it in his quarterly report to the Joint
25 Legislative Commission on Governmental Operations.

26 Lapsed salary funds shall not be used for new permanent employee positions or to
27 raise the salary of existing ~~employees~~ employees, nor for any other purpose, but shall
28 revert to the General Fund at the end of each fiscal year.

29 **SECTION 2.** This act is effective when it becomes law.