

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS15400-LY-392 (5/17)

Short Title: Local Government Reimbursements.

(Public)

Sponsors: Senator Berger of Rockingham.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FROM THE 2005-2006 SURPLUS TO REIMBURSE COUNTIES AND CITIES FOR FUNDS TAKEN BY THE STATE DURING THE 2001-2002 FISCAL YEAR.

Whereas, during the 2001-2002 fiscal year the Governor withheld funds from cities and counties for General Fund appropriations in the State budget; and

Whereas, the withholding of the funds placed an extreme burden on local governments in balancing their own budgets; and

Whereas, the funds withheld were tax collections that the General Assembly has since declared are local revenues and not State expenditures that therefore may not constitutionally be withheld by the Governor; and

Whereas for the 2006-2007 fiscal year the State has over a \$2 billion surplus from unappropriated balances in the 2005-2006 fiscal year and greater than anticipated growth; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. There is appropriated from the General Fund the sum of two hundred nine million dollars (\$209,000,000) for the 2006-2007 fiscal year to reimburse the cities and counties for funds withheld by the Governor during the 2001-2002 fiscal year. The funds appropriated by this act shall be distributed to the cities and counties in proportion to the amounts that would have been distributed to the cities and counties in the 2001-2002 fiscal year had the funds not been withheld.

SECTION 2. This act becomes effective July 1, 2006.