

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1357

Short Title: Board, Council Budgets Required.

(Public)

Sponsors: Senator Royall.

Referred to: Appropriations.

May 23, 1990

A BILL TO BE ENTITLED

AN ACT TO ENSURE THAT ALL STATE BOARDS, COMMISSIONS, COUNCILS,
AND COMMITTEES HAVE BUDGETS APPROVED BY THE GENERAL
ASSEMBLY AND TO GIVE THE DIRECTOR OF THE BUDGET ADDITIONAL
AUTHORITY TO DEVIATE FROM THE BUDGET ADOPTED BY THE
GENERAL ASSEMBLY.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143-11 reads as rewritten:

"§ 143-11. Survey of departments.

On or before the fifteenth day of December, biennially in the even-numbered years, the Director shall make a complete, careful survey of the operation and management of all the departments, bureaus, divisions, officers, boards, commissions, institutions, and agencies and undertakings of the State and all persons or corporations who use or expend funds as hereinbefore defined, in the interest of economy and efficiency, and a working knowledge upon which to base recommendations to the General Assembly as to appropriations for maintenance and special funds and capital expenditures for the succeeding biennium. If the Director and the Commission shall agree in their recommendations for the budget for the next biennial period, he shall prepare their report in the form of a proposed budget, together with such comment and recommendations as they may deem proper to make. If the Director and Commission shall not agree in substantial particulars, the Director shall prepare the proposed budget based on his own conclusions and judgment, and the Commission or any of its members retain the right to submit separately to the General Assembly such statement of disagreement and the particulars thereof as representing their views. The budget report

1 shall contain a complete and itemized plan of all proposed expenditures for each State
2 department, bureau, board, division, institution, commission, council, committee, State
3 agency or undertaking, person or corporation who receive or may receive for use and
4 expenditure any State funds as hereinbefore defined, in accordance with the
5 classification adopted by the State Controller, and of the estimated revenues and
6 borrowings for each year in the ensuing biennial period beginning with the first day of
7 July thereafter. Opposite each item of the proposed expenditures, the budget shall show
8 in separate parallel columns the amount expended for the last preceding appropriation
9 year, for the current appropriation year, and the increase or decrease. The budget shall
10 clearly differentiate between general fund expenditures for operating and maintenance,
11 special fund expenditures for any purpose, and proposed capital outlays.

12 The Director shall accompany the budget with:

- 13 (1) A budget message supporting his recommendations and outlining a
14 financial policy and program for the ensuing biennium. The message
15 will include an explanation of increase or decrease over past
16 expenditures, a discussion of proposed changes in existing revenue
17 laws and proposed bond issues, their purpose, the amount, rate of
18 interest, term, the requirements to be attached to their issuance and the
19 effect such issues will have upon the redemption and annual interest
20 charges of the State debt.
- 21 (2) State Controller reports including:
22 a. An itemized and complete financial statement for the State at
23 the close of the last preceding fiscal year ending June 30.
24 b. A statement of special funds.
25 c. A statement showing the itemized estimates of the condition of
26 the State treasury as of the beginning and end of each of the
27 next two appropriation years.
- 28 (3) A report on the fees charged by each State department, bureau,
29 division, board, commission, institution, and agency during the
30 previous fiscal year, the statutory or regulatory authority for each fee,
31 the amount of the fee, when the amount of the fee was last changed,
32 the number of times the fee was collected during the prior fiscal year,
33 and the total receipts from the fee during the prior fiscal year.

34 It shall be a compliance with this section by each incoming Governor, at the first
35 session of the General Assembly in his term, to submit the budget report with the
36 message of the outgoing Governor, if he shall deem it proper to prepare such message,
37 together with any comments or recommendations thereon that he may see fit to make,
38 either at the time of the submission of the said report to the General Assembly, or at
39 such other time, or times, as he may elect and fix.

40 The function of the Advisory Budget Commission under this section applies only if
41 the Director of the Budget consults with the Commission in preparation of the budget."

42 Sec. 2. G.S. 143-16.3 reads as rewritten:

43 "**§ 143-16.3. No expenditures for purposes for which the General Assembly has**
44 **considered but not enacted an appropriation.**

1 (a) Notwithstanding any other provision of law, no funds from any source,
2 except for gifts, grants, and funds allocated from the Contingency and Emergency Fund
3 by the Council of State, may be expended for any purpose for which the General
4 Assembly has considered but not enacted an appropriation of funds for the current fiscal
5 period. For the purpose of this section, the General Assembly has considered a purpose
6 when that purpose is included in a bill or petition or when any committee of the Senate
7 or the House of Representatives deliberates on that purpose.

8 (b) Notwithstanding any other provision of law, this section applies to all
9 executive branch boards, committees, councils, and commissions, created by statute, by
10 executive order, or by other action of an official in the executive branch of State
11 government. As used in this subsection, 'official in the executive branch of State
12 government' does not include officials of counties, cities, towns, villages, other
13 municipal corporations or political subdivisions of the State or any agencies of such
14 subdivision, or local boards of education, other local public districts, units or bodies of
15 any kind, or community colleges as defined in G.S. 115D-2(2), or private corporations
16 created by act of the General Assembly."

17 Sec. 3. G.S. 147-16.1 reads as rewritten:

18 **"§ 147-16.1. Publication of executive orders.**

19 Executive orders of the Governor shall be filed and published as provided by Article
20 5 of Chapter 150B of the General Statutes. The Governor's office shall also send a copy
21 of each executive order to the President of the Senate, to the Speaker of the House of
22 Representatives, to the Joint Legislative Commission on Governmental Operations, to
23 the Principal Clerk of the House of Representatives and to the Principal Clerk of the
24 Senate."

25 Sec. 4. G.S. 147-16.2 reads as rewritten:

26 **"§ 147-16.2. Duration of boards and councils created by executive officials;**
27 **extensions.**

28 (a) Any executive order of the Governor that creates a board, committee, council,
29 or commission expires two years after the effective date of the executive order, unless
30 the Governor specifies an expiration date in the order; provided, however, that any such
31 executive order that was in effect on July 1, 1983, expires on June 30, 1985, unless the
32 Governor specified a different expiration date in any such order. The Governor may
33 extend any such executive order before it expires for additional periods of up to two
34 years by doing so in writing; copies of the writing shall be filed by the Governor with
35 the Secretary of ~~State~~—State, the Joint Legislative Commission on Governmental
36 Operations, the Fiscal Research Division of the Legislative Services Office, and the
37 State Legislative Library.

38 (b) Any other State board, committee, council, or commission created by the
39 Governor or by any other State elective officer specified in Article III of the North
40 Carolina Constitution expires two years after it was created; provided, however, that any
41 such board, committee, council, or commission existing as of July 1, 1984, expires on
42 June 30, 1985, unless it was due to expire on an earlier date. The elective officer
43 creating any such board, committee, council, or commission may extend the board,
44 committee, council, or commission before it expires for additional periods of up to two

1 years by doing so in writing; copies of the writing shall be filed by the elective officer
2 with the Secretary of ~~State~~ State, the Joint Legislative Commission on Governmental
3 Operations, the Fiscal Research Division of the Legislative Services Office, and the
4 State Legislative Library.

5 (c) Any State board, committee, council, or commission created by any official
6 in the executive branch of State government, other than by those officials specified in
7 subsections (a) and (b), expires two years after it was created; provided, however, that
8 any board, committee, council, or commission existing as of July 1, 1984, expires on
9 June 30, 1985, unless it was due to expire on an earlier date. The Governor may extend
10 any such board, committee, council, or commission before it expires for additional
11 periods of up to two years by executive order; copies of the executive order shall be
12 filed by the Governor with the Secretary of ~~State~~ State, the Joint Legislative
13 Commission on Governmental Operations, the Fiscal Research Division of the
14 Legislative Services Office, and the State Legislative Library.

15 The words, 'official in the executive branch of State government,' as used in this
16 section, do not include officials of counties, cities, towns, villages, other municipal
17 corporations or political subdivisions of the State or any agencies of such subdivision,
18 or local boards of education, other local public districts, units or bodies of any kind, or
19 community colleges as defined in G.S. 115D-2(2), or private corporations created by act
20 of the General Assembly.

21 (d) Any elective officer specified in subsection (b) and any other official in the
22 executive branch of State government who creates a board, committee, council, or
23 commission shall do so in ~~writing~~ writing, shall attach to the writing a budget for the
24 board, committee, council, or commission and a statement of the source of funds
25 required by the budget for the remainder of the fiscal year, and shall file copies of the
26 writing and the attached budget and statement with the Secretary of ~~State~~ State, the
27 Joint Legislative Commission on Governmental Operations, the Fiscal Research
28 Division of the Legislative Services Office, and the State Legislative Library."

29 Sec. 5. Section 48 of Chapter 752 of the 1989 Session Laws reads as
30 rewritten:

31 "Sec. 48. Sections 156 through 160 of Chapter 479 of the 1985 Session Laws, as
32 amended, and G.S. 143-16.3, do not apply to the extent that the Director of the Budget
33 finds that compliance is impossible and that deviation is necessary because of
34 complications in the budget process that were not contemplated when the budget for the
35 1989-91 fiscal biennium was enacted.

36 The Director of the Budget shall report, on a monthly basis to the Joint Legislative
37 Commission on Governmental Operations and to the Fiscal Research Division of the
38 Legislative Services Office on any deviations from Sections 156 through 160 of Chapter
39 479 of the 1985 Session Laws, as amended, and G.S. 143-16.3, and the reasons it was
40 impossible to comply.

41 This section does not authorize deviations from Sections 156 through 160 of Chapter
42 479 of the 1985 Session Laws, as amended, and G.S. 143-16.3, to combine fund codes."

43 Sec. 6. This act shall become effective July 1, 1990.