

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 669
Corrected Copy 3/19/07

Short Title: Reform Legislative Budget Process. (Public)

Sponsors: Representatives Blust; Blackwood, Boylan, Brown, Cleveland, Current, Daughtry, Dockham, Frye, Gulley, Hilton, Holloway, Langdon, Lewis, McGee, Moore, Samuelson, Starnes, Tillis, and West.

Referred to: Ways and Means, if favorable, Appropriations.

March 15, 2007

A BILL TO BE ENTITLED

AN ACT TO REFORM THE PREPARATION AND ADMINISTRATION OF THE BUDGET FOR THE GENERAL ASSEMBLY TO PROVIDE GREATER TRANSPARENCY AND TO REGULATE DISCRETIONARY FUNDS AND THE PROCESS OF ENACTMENT OF THE STATE BUDGET.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-23(c), (d), and (e) read as rewritten:

"(c) Transfers or changes as between objects or line items in the budget of the Senate may be made by the President Pro Tempore of the Senate. The President Pro Tempore shall report any such changes to all members of the General Assembly within 14 days.

(d) Transfers or changes as between objects or line items in the budget of the House of Representatives may be made by the Speaker of the House of Representatives. The Speaker shall report any such changes to all members of the General Assembly within 14 days.

(e) Transfers or changes as between objects or line items in the budget of the General Assembly other than of the Senate and House of Representatives may be made jointly by the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The President Pro Tempore and the Speaker shall report any such changes to all members of the General Assembly within 14 days."

SECTION 2. Effective July 1, 2007, G.S. 143C-3-1 reads as rewritten:

"§ 143C-3-1. **Budget estimate for the legislative branch.**

The Legislative Services Officer shall give the Director an estimate of the financial needs of the legislative branch for the upcoming fiscal period in accordance with the schedule prescribed by the Director. A copy of those estimates shall be provided within 14 days to all members of the General Assembly. The estimates for the legislative branch shall be approved and certified by the President Pro Tempore of the Senate and

1 the Speaker of the House of Representatives. The estimates shall be itemized in
2 accordance with the accounting classifications adopted by the Controller. The Director
3 shall include the estimates in the budget the Director submits to the General Assembly.
4 The Director may recommend changes to these estimates in the budget submitted to the
5 General Assembly."

6 **SECTION 3.** Effective July 1, 2007, G.S. 143C-6-4(d), (e), and (f) read as
7 rewritten:

8 "(d) Overexpenditures in Senate Budget. – The President Pro Tempore of the
9 Senate may approve expenditures for more than was authorized in the enacted budget
10 for objects or line items in the budget of the Senate. The President Pro Tempore shall
11 report any such approval to all members of the General Assembly within 14 days.

12 (e) Overexpenditures in House of Representatives Budget. – The Speaker of the
13 House of Representatives may approve expenditures for more than was authorized in
14 the enacted budget objects or line items in the budget of the House of Representatives.
15 The Speaker shall report any such changes to all members of the General Assembly
16 within 14 days.

17 (f) Transfers Between Line Items or Programs in General Assembly Budget
18 Other Than Senate and House of Representatives. – Expenditures exceeding amounts
19 authorized for programs, objects, or line items in the budget of the General Assembly
20 other than those of the Senate and House of Representatives shall be approved jointly by
21 the President Pro Tempore of the Senate and the Speaker of the House of
22 Representatives. The President Pro Tempore and the Speaker shall report any such
23 changes to all members of the General Assembly within 14 days."

24 **SECTION 4.** Article 1 of Chapter 143 of the General Statutes is amended by
25 adding a new section to read:

26 "**§ 143-23.4. Legislative budget administration.**

27 (a) The Speaker shall report to all members of the General Assembly on a
28 monthly basis, within 30 days of the end of the month, all actions taken in administering
29 the budget of the House of Representatives.

30 (b) The President Pro Tempore shall report to all members of the General
31 Assembly on a monthly basis, within 30 days of the end of the month, all actions taken
32 in administering the budget of the Senate.

33 (c) The Legislative Services Officer shall report to all members of the General
34 Assembly on a monthly basis, within 30 days of the end of the month, all actions taken
35 in administering the budget of the General Assembly other than of the Senate and House
36 of Representatives."

37 **SECTION 5.** Chapter 143 of the General Statutes is amended by adding a
38 new section to read:

39 "**§ 143-32.1. Discretionary funds.**

40 All appropriations made by the General Assembly in a current appropriations act
41 shall clearly specify in a separate line item the exact description of the appropriation in
42 clear and precise language. When the General Assembly permits the expenditure of
43 funds in a discretionary manner, that discretion shall reside only with the Director or the
44 Director's designee, and it shall be unlawful and unethical for a member of the General

1 Assembly after the current appropriations act is signed by the Governor to attempt to
2 influence the exercise of that discretion or otherwise attempt to influence the way such
3 funds so appropriated are expended."

4 **SECTION 6.** Chapter 143C of the General Statutes is amended by adding a
5 new section to read:

6 **"§ 143C-5-6. Consideration of budget.**

7 Neither the Current Operations Appropriations Bill nor a bill making general
8 revisions in that act for the second fiscal year of a biennium may not be placed on the
9 favorable calendar for:

- 10 (1) Second reading earlier than the third legislative day after the bill in the
11 form that will be considered on second reading is distributed to the
12 office of all members of the house where the bill is being considered.
13 (2) Adoption of the conference report earlier than the third legislative day
14 after the conference report in the form that will be presented to the
15 Governor for signature is distributed to the office of all 170 members
16 of the General Assembly."

17 **SECTION 7.** Chapter 143C of the General Statutes is amended by adding a
18 new section to read:

19 **"§ 143C-5-7. Content of appropriations bills.**

20 (a) No provision changing existing law shall be contained in any of the following
21 bills: (i) the Current Operations Appropriations Bill; (ii) the Capital Improvement
22 Appropriations Bill; (iii) any bill generally revising appropriations for the second fiscal
23 year of a biennium.

24 (b) No amendment to any bill listed in subsection (a) of this section shall be in
25 order if the language is prohibited by that subsection.

26 (c) Notwithstanding subsections (a) and (b) of this section, any of the bills listed
27 in subsection (a) of this section or an amendment to such bill may change existing law if
28 the change:

- 29 (1) Alters expenditures or salaries;
30 (2) Changes the scope or character of a program which must be reduced,
31 increased, or changed because of an increase or decrease of funds
32 appropriated for the program or because of changes in federal law or
33 regulation; or
34 (3) Modifies any function of State government which necessitates a
35 transfer of funds from one department to another;

36 provided, that for a provision to be in order under this subsection, it must be
37 recommended to the General Assembly in a written report adopted by the
38 Appropriations/Base Budget Committee before or at the same time the bill is reported,
39 or, if such provision is contained in a floor amendment, the sponsor of the amendment
40 must present to the Principal Clerk at or before the time the amendment is offered an
41 explanation of the amendment for distribution to each member of the Senate."

42 **SECTION 8.** Sections 1, 4, and 8 of this act are effective when it becomes
43 law. Sections 2, 3, 5, 6, and 7 of this act become effective July 1, 2007. Effective July 1,

1 2007, G.S. 143-23.4, as enacted by Section 4 of this act, is recodified as
2 G.S. 143C-6-12.