

June 4, 2002

S 1164. SECURE LOCAL REVENUES. TO PROVIDE THAT LOCAL REVENUES MAY NOT BE WITHHELD OR IMPOUNDED BY THE GOVERNOR. Amends laws governing distribution of beer and wine taxes (GS 105-113.82), utilities franchise taxes [GS 105-116(b)]; piped natural gas tax [GS 105-187.44(b)]; telecommunications tax (GS 105-164-44F); and motor fuel tax (Powell Bill funds) (GS 136-41.1) by adding the following language to each statute: "The General Assembly finds that the revenue distributed under this section is local revenue, not a State expenditure, for the purpose of Section 5(3) of Article III of the North Carolina Constitution. Therefore, the Governor may not reduce or withhold the distribution." Adds new subdivision to GS 143-25 stating the intent of the General Assembly that local governments be entitled to rely on funds and local revenue sources provided by the legislature and stating that funds that have been collected by the State on behalf of local governments, and funds appropriated by the General Assembly "shall not be reduced" except as provided in that section. Provides that the Governor shall not withhold these funds unless, after making adequate provision for debt payments, "the Governor has exhausted all other sources of revenue of the State including surplus remaining in the treasury at the beginning of the fiscal period." Specifies that the section does not authorize the Governor to withhold revenues from taxes levied by units of local government and collected by the State, stating that the General Assembly recognizes that this would violate state and federal constitutional due process requirements.

Intro. by Hoyle, Rand, Gulley, Metcalf, Albertson, Carter, Cunningham, Dalton, Dannelly, Garrou, Hagan, Harris, Kerr, Kinnaird, Lee, Lucas, William Martin, Robert Martin, Miller, Odom, Plyler, Purcell, Reeves, Robinson, Larry Shaw, Soles, Swindell, Thomas, Warren, Weinstein, and Wellons.

Ref. to Finance	GS 105, 136, 143
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