GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2003

H **1**

HOUSE BILL 342*

Short Title:	Constit. Amend./Employer Contrib Rates.-AB	(Public)
Sponsors:	Representatives B. Allen, Eddins, Munford, Ross (Primary Sponsors); Bell, Frye, Jones, Lucas, McLawhorn, Nesbitt, Pate, Rapp, Stam, Weiss, and Yongue.	
Referred to:	Rules, Calendar, and Operations of the House.	

March 6, 2003

A BILL TO BE ENTITLED

AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA TO PROTECT EMPLOYER CONTRIBUTION RATES BUDGETED FOR THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM IN THE SAME MANNER AS RETIREMENT SYSTEM FUNDS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 6 of Article V of the Constitution of North Carolina reads as rewritten:

"**Sec. 6. Inviolability of sinking funds and retirement funds.**

(1) Sinking funds. The General Assembly shall not use or authorize to be used any part of the amount of any sinking fund for any purpose other than the retirement of the bonds for which the sinking fund has been created, except that these funds may be invested as authorized by law.

(2) Retirement ~~funds.~~ funds and State-budgeted employer contribution rates. Neither the General Assembly nor any public officer, employee, or agency shall use or authorize to be used any part of the funds of the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement ~~System~~ System, including the total amount resulting from applying the State's employer contribution rates budgeted by the General Assembly for retirement and related benefits for any fiscal year to the actual covered salaries paid during the fiscal year, for any purpose other than retirement system benefits and purposes, administrative expenses, and refunds; except that retirement system funds may be invested as authorized by law, subject to the investment limitation that the funds of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System shall not be applied, diverted, loaned to, or used by the State, any State agency, State officer, public officer, or public employee."

SECTION 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at the general election in November 2003, which election shall be conducted under the laws then governing elections in the State. Ballots, voting systems, or both may be used in accordance with Chapter 163 of the General Statutes. The question to be used in the voting systems and ballots shall be:

"[ ] FOR [ ] AGAINST

Constitutional amendment expanding the restriction on the use of State retirement system funds to include the State's employer contribution rates budgeted by the General Assembly for retirement and related benefits."

SECTION 3. If a majority of the votes cast on the question are in favor of the amendment set out in Section 1 of this act, the State Board of Elections shall certify the amendment to the Secretary of State. The amendment becomes effective upon this certification. The Secretary of State shall enroll the amendment so certified among the permanent records of that office.

SECTION 4. This act is effective when it becomes law.