

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE DRH50141-LH-23 (1/22)

Short Title: Increase "Rainy Day" Funds.

(Public)

Sponsors: Representative Walend.

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO INCREASE THE FUNDING FOR THE SAVINGS RESERVE
3 ACCOUNT AND TO PROVIDE THAT ANY BALANCE NOT NEEDED TO
4 FUND THE SAVINGS RESERVE ACCOUNT MAY BE USED ONLY FOR
5 CAPITAL IMPROVEMENTS, REPAIRS AND RENOVATIONS, OR
6 MAINTENANCE.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 143-15.2(e) reads as rewritten:

9 "(e) The General Assembly may appropriate that part of the anticipated General
10 Fund credit balance not expected to be reserved only for capital ~~improvements or other~~
11 ~~one-time expenditures.~~ improvements, repairs and renovations, or maintenance."

12 **SECTION 2.** G.S. 143-15.3 reads as rewritten:

13 **"§ 143-15.3. Use of General Fund credit balance; priority uses.**

14 (a) There is established a Savings Reserve Account as a restricted reserve in the
15 General Fund. The State Controller shall reserve to the Savings Reserve Account
16 one-fourth of any unreserved credit balance remaining in the General Fund at the end of
17 each fiscal year until the account contains funds equal to ~~five percent (5%)~~ eight percent
18 (8%) of the amount appropriated the preceding year for the General Fund operating
19 budget, including local government tax-sharing funds, that were directly appropriated.
20 In the event that the one-fourth exceeds the amount necessary to reach the ~~five percent~~
21 ~~(5%)~~ eight percent (8%) level, only funds necessary to reach that level shall be reserved.
22 If there are insufficient funds in the unreserved credit balance for the Savings Reserve
23 Account and the Repairs and Renovations Reserve Account, then the requirements of
24 this section shall be complied with first, and any remaining funds shall be reserved to
25 the Repairs and Renovations Reserve Account, in accordance with G.S. 143-15.3A.

26 (a1) If the balance in the Savings Reserve Account falls below the ~~five percent~~
27 ~~(5%)~~ eight percent (8%) level during a fiscal year, the State Controller shall, in

1 accordance with subsection (a) of this section, reserve to the Savings Reserve Account
2 for the following fiscal years up to one-fourth of any unreserved credit balance
3 remaining in the General Fund at the end of each fiscal year until the account again
4 equals the ~~five percent (5%)~~ eight percent (8%) level set out in subsection (a) of this
5 section.

6 (b) The Director may not use funds in the Savings Reserve Account unless the
7 use has been approved by an act of the General Assembly."

8 **SECTION 3.** This act becomes effective July 1, 2003.