May 15, 2006

S 1403. TRUST FUND FOR ESSENTIAL SERVICES. Filed 5/15/06. TO CREATE A TRUST FUND FOR ESSENTIAL SERVICES TO BE FUNDED FROM STATE LOTTERY PROCEEDS, AND TO LIMIT ANY EXPENDITURE FROM THE FUND UNTIL AFTER JANUARY 1, 2057. Adds new Sec. 6 to Article XIV of NC Constitution, subject to voter approval at November 2006 statewide general election, to provide as title indicates. Requires that five percent or $15,000,000, whichever is less, of the net revenues of any State Lottery be deposited in the Trust Fund for Essential Services (Trust Fund), established under bill by new GS 143-15.3E. Specifies that principal and interest of Trust Fund may not be expended before January 1, 2057, and that on or after that date, only one-half of the annual interest earned on the Trust Fund during the previous year may be appropriated by the General Assembly. Provides that corpus of Trust Fund may be expended only after January 1, 2057 on a vote of two-thirds of each house of the legislature present and voting.

Enacts new GS 143-15.3E, "Trust Fund for Essential Services," to establish Trust Fund as an interest-bearing, nonreverting special fund in the Office of State Budget and Management. Moneys in the Trust Fund are to be held in trust and used only to provide essential services to NC citizens if funds from all other sources available are inadequate to provide those essential services. Specifies how Trust Fund is to be held and invested by State Treasurer. Requires NC State Lottery Commission to pay annually to Trust Fund five percent or $15,000,000, whichever is less, of the net revenues of the State lottery, and contains same limitation on spending of Trust Fund before and after January 1, 2057, as specified in constitutional amendment. Specifies that Director of the Budget may not use funds in the Trust Fund unless approved by an act of the General Assembly. Makes conforming changes in GS 18C-164 (transfer of lottery revenues).

Intro. by Blake. GS 18C, 143, CONST