

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

H

1

HOUSE BILL 1449

Short Title: Salary Funds/Spend Only For Salaries. (Public)

Sponsors: Representatives Blust; McGee, Rhodes, and Starnes.

Referred to: Appropriations.

April 21, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE THAT FUNDS BUDGETED FOR SALARIES AND WAGES
3 SHALL BE EXPENDED ONLY FOR THOSE ITEMS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 143-23(a2) reads as rewritten:

6 "(a2) Funds appropriated for salaries and wages are also subject to the limitation
7 that they may only be used for:

8 (1) ~~Salaries for salaries and wages or for premium pay, overtime pay,~~
9 ~~longevity, unemployment compensation, workers' compensation,~~
10 ~~temporary wages, moving expenses of employees, payment of~~
11 ~~accumulated annual leave, certain awards to employees, tort claims,~~
12 ~~and employer's social security, retirement, and hospitalization~~
13 ~~payments;payments.~~

14 (2) ~~Contracted personal services if (i) the contract is for temporary~~
15 ~~services or special project services, (ii) the term of the contract does~~
16 ~~not extend beyond the fiscal year, (iii) the contract does not impose~~
17 ~~obligations on the State after the end of the fiscal year; and (iv) the~~
18 ~~total of all overexpenditures for contracted personal services approved~~
19 ~~in a program for a fiscal year does not exceed the greater of five~~
20 ~~hundred thousand dollars (\$500,000) or ten percent (10%) of the~~
21 ~~lapsed salary funds in the program for the fiscal year; and~~

22 (3) ~~Uses for which overexpenditures are permitted by subdivision (2) of~~
23 ~~subsection (a1) of this section but the Director of the Budget shall~~
24 ~~include such use and the reason for it in his quarterly report to the Joint~~
25 ~~Legislative Commission on Governmental Operations.~~

26 Lapsed salary funds shall not be used for new permanent employee positions or to
27 raise the salary of existing employees."

28 **SECTION 2.** This act becomes effective July 1, 2006.