

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE JOINT RESOLUTION 708
Committee Substitute Favorable 4/30/13

Sponsors:

Referred to:

April 11, 2013

1 A JOINT RESOLUTION TO DIRECT THE LEGISLATIVE RESEARCH COMMISSION TO
2 STUDY THE PROPER USE BY A LOCAL GOVERNMENT OWNING OR
3 OPERATING A PUBLIC ENTERPRISE OF REVENUE DERIVED FROM SERVICES
4 FURNISHED BY IT AND MAKE RECOMMENDATIONS TO THE GENERAL
5 ASSEMBLY ON PROPER OVERSIGHT OF SUCH PUBLIC ENTERPRISE.

6 Be it resolved by the House of Representatives, the Senate concurring:

7 **SECTION 1.(a)** The General Assembly finds that the ability of a city or county to
8 efficiently and effectively provide public enterprise services is imperiled by the use by that
9 local government of those revenues for purposes other than:

- 10 (1) Paying the costs of operating the public enterprise.
11 (2) Making debt service payments.
12 (3) Investing in improvements to the infrastructure of that public enterprise.
13 (4) Reimbursing the unit of local government for actual direct services provided
14 to the public enterprise.

15 **SECTION 1.(b)** The General Assembly further finds that any excess net revenues
16 should be used to lower rates, advance fund debt service, and fund infrastructure improvements
17 of that public enterprise.

18 **SECTION 2.** The Legislative Research Commission shall study the issues raised in
19 Section 1 of this resolution and make recommendations to the General Assembly on:

- 20 (1) Proper accounting controls to ensure transparency in budgeting and
21 accounting for expenditures and interfund transfers of city and county public
22 enterprise services.
23 (2) Legislation which may be necessary to ensure proper funding of
24 infrastructure maintenance and improvements for local government public
25 enterprises.
26 (3) Legislation which may be necessary to ensure that local governments
27 monitor aging public enterprise infrastructure to ensure proper maintenance
28 and repair.
29 (4) Legislation to improve local government public enterprise management.

30 **SECTION 3.** In making the study provided by Section 2 of this resolution, the
31 Legislative Research Commission shall consult with the Local Government Commission and
32 the School of Government.

33 **SECTION 4.** The Legislative Research Commission shall make an interim report
34 to the 2013 Regular Session of the General Assembly prior to its reconvening in 2014 and shall
35 make a final report to the 2015 Regular Session of the General Assembly.

36 **SECTION 5.** This resolution is effective upon ratification.

