

May 25, 2000

**S 1419. TAXPAYER PROTECTION ACT. TO PROVIDE GOVERNMENTAL ACCOUNTABILITY AND PROTECTION TO THE TAXPAYERS BY LIMITING INCREASES IN THE GENERAL FUND BUDGET, REFORMING THE BUDGET PROCESS, ESTABLISHING AN EMERGENCY RESERVE TRUST FUND, AND PROHIBITING UNFUNDED STATE MANDATES.** Adds GS 143-2.1 to define terms and limits. Adds GS 143-2.2 to prohibit Governor, in preparing budget for a fiscal year, from proposing expenditures from the General Fund in excess of the projected General Fund expenditure limit established under GS 143-2.1. Bars General Assembly from making appropriations from the General Fund in excess of the General Fund expenditure limit. Provides that all General Fund revenue collected in excess of the General Fund expenditure limit credited to Emergency Reserve Trust Fund. Adds GS 143-2.3 directing State Controller to transfer funds from the credit balance to the Emergency Reserve Trust Fund, to the Repairs and Renovation Reserve Account, and the Clean Water Management Trust Fund. General Assembly may appropriate that part of the anticipated General Fund credit balance not expected to be reserved to these three funds only for capital improvements or other nonrecurring expenditures within the General Fund expenditure limit. Adds GS 143-2.4, creating the Emergency Reserve Trust Fund in the Office of the State Treasurer, and establishes restrictions on Fund. Requires a two thirds vote of members of each house of General Assembly to make appropriations out of the Fund, with excess funds to be returned to taxpayers. Adds GS 143-2.5 to require a two-thirds vote of the General Assembly to exceed General Fund expenditure limit. Adds GS 143-2.6 to provide that no county or unit of local government shall be bound by any general law enacted after July 1, 2000, requiring the local government to spend funds unless (i) funds have been appropriated by the General Assembly that have been estimated at the time of enactment to be sufficient to fund the expenditure, or (ii) the expenditure is required to comply with a federal law requirement or is required for eligibility for a federal entitlement. Provides that no local government shall be bound by a local act enacted after July 1, 2000, requiring the expenditure of funds unless the local act has been approved by the local government affected by the act. Makes conforming change to GS 143-15.3B(a) and repeals GS 143-15.2 and 143-15.3.

**Intro. by Horton.**

Ref. to Finance	GS 143
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