

June 6, 2002

S 1234. LOCAL FINANCIAL SECURITY/BREACH. *TO PROVIDE THAT LOCAL REVENUES MAY NOT BE WITHHELD OR IMPOUNDED BY THE GOVERNOR, TO CLARIFY THAT THE GOVERNOR IS PERSONALLY LIABLE FOR FUNDS SO WITHHELD, AND TO CLARIFY THE CRIMINAL PENALTY FOR WITHHOLDING THESE FUNDS.* Specifies that revenue to be distributed to cities and counties pursuant to GS 105-113.82, 105-116.1, 105-187.44, 105-164.44, and 136-41.1 is local revenue for purposes of section 5(3) of article III of the N.C. Constitution, meaning that the revenue cannot be reduced or withheld by the Governor. Amends GS 143-25 to add new section (b) to specify that funds collected on behalf of local governments can be withheld by the Governor only when authorized by the General Assembly and only after the Governor has exhausted all other sources of revenue of the state including surplus remaining in the treasury at the beginning of the fiscal period. Specifies that a Governor who acts in violation of the act violates GS 143-32 and is subject to the civil and criminal penalties provided in that section.

Intro. by Webster.

Ref. to Rules	GS 105, 136, 143
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