

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 1565 (First Edition)

**SHORT TITLE:** State Budget Act.

**SPONSOR(S):** Representatives Baker, Crawford, Sherrill, and Haire

| <b>FISCAL IMPACT</b>                                      |  |                          |                                  |                          |                          |
|---|--|--------------------------|----------------------------------|--------------------------|--------------------------|
|   | <b>Yes ( )</b>                         | <b>No ( )</b>            | <b>No Estimate Available (x)</b> |                          |                          |
|   | <b><u>FY 2004-05</u></b>               | <b><u>FY 2005-06</u></b> | <b><u>FY 2006-07</u></b>         | <b><u>FY 2007-08</u></b> | <b><u>FY 2008-09</u></b> |
| <b>REVENUES:</b>  |  |                          |                                  |                          |                          |
| <b>EXPENDITURES:</b>                                      |  |                          |                                  |                          |                          |
| <b>POSITIONS:</b>   |  |                          |                                  |                          |                          |
| <b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> | All state government.<br>County jails. |                          |                                  |                          |                          |
| <b>EFFECTIVE DATE:</b>                                    | July 1, 2006                           |                          |                                  |                          |                          |

**BILL SUMMARY:** Enacts new GS Ch. 143C to implement the Joint Committee’s objectives of (1) simplifying, reorganizing, and restating the current budget statutes; (2) discarding out-dated concepts and replacing confusing terminology with modern accounting definitions; and (3) assuring that the constitutional requirement for “acts of appropriation” by the legislature extends beyond the General Fund to encompass the expenditure of all state governmental and proprietary funds. The stated purpose of new GS Ch. 143C is to establish procedures for preparing the recommended state budget, enacting the budget, and administering the budget. The act defines three types of funds: governmental; proprietary; and agency and trust, along with other definitions, in Art. 1. The act’s remaining 9 Articles deal with the following subjects: the role of the director of the budget; development of the governor’s recommended budget; budget requirements; enactment of the budget; administration of the budget; federal and other receipts; budgeting capital improvements; special funds and fee reports; and penalties for violations of the act. Makes conforming amendments to numerous other statutes. Effective July 1, 2006.

*Source: Bill Digest H.B. 1565 (05/20/2004)*

**ASSUMPTIONS AND METHODOLOGY:** This note deals only with the penalty section of this bill. The bill creates new misdemeanor offenses for violations of the budget act. These are new offenses for which there is no historical information; thus, no estimate can be prepared on the potential impact of the penalty component of this legislation. Offenders convicted under this statute would serve any active sentence in a county jail rather than in a state prison, though the likelihood is greater that they would be placed on probation.

**SOURCES OF DATA:** Administrative Office of the Courts

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**DATE:** June 21, 2004



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