

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2015

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HOUSE BILL 3

Senate Rules and Operations of the Senate Committee Substitute Adopted 6/24/16

Short Title: Omnibus Constitutional Amendments.

(Public)

Sponsors:

Referred to:

January 28, 2015

A BILL TO BE ENTITLED

AN ACT TO AMEND THE NORTH CAROLINA CONSTITUTION TO PROHIBIT CONDEMNATION OF PRIVATE PROPERTY EXCEPT FOR A PUBLIC USE; TO PROVIDE FOR THE PAYMENT OF JUST COMPENSATION WITH RIGHT OF TRIAL BY JURY IN ALL CONDEMNATION CASES; TO PROVIDE FOR TAXPAYER PROTECTIONS THAT ESTABLISH A STATE EMERGENCY SAVINGS RESERVE FUND; TO REDUCE THE MAXIMUM INCOME TAX RATE TO FIVE AND ONE-HALF PERCENT FROM TEN PERCENT; AND TO PROTECT THE RIGHT OF THE PEOPLE TO HUNT, FISH, AND HARVEST WILDLIFE.

The General Assembly of North Carolina enacts:

PART I. EMINENT DOMAIN

SECTION 1.1. Article I of the North Carolina Constitution is amended by adding a new section to read:

"Sec. 38. Eminent domain.

Private property shall not be taken by eminent domain except for a public use. Just compensation shall be paid and shall be determined by a jury at the request of any party."

SECTION 1.2.(a) The amendment set out in Section 1.1 of this act shall be submitted to the qualified voters of the State at a statewide election to be conducted on November 8, 2016, which election shall be conducted under the laws then governing elections in the State. The question to be used in the voting systems and ballots shall be:

"[] FOR [] AGAINST

Constitutional amendment to prohibit condemnation of private property except for a public use and to provide for the payment of just compensation with right of trial by jury in all condemnation cases."

SECTION 1.2.(b) If a majority of votes cast on the question are in favor of the amendment set out in Section 1.1 of this act, the State Board of Elections shall certify the amendment to the Secretary of State. The Secretary of State shall enroll the amendment so certified among the permanent records of that office. The amendment set out in Section 1.1 of this act becomes effective January 1, 2017.

PART II. TAXPAYER PROTECTIONS

SECTION 2.1.(a) The North Carolina Constitution is amended by adding the following Article:

"ARTICLE XV

"TAXPAYER PROTECTIONS



"Section 1. Establishment of Emergency Savings Reserve Fund.

(1) The Emergency Savings Reserve Fund is established in the State Treasury. Interest on money in the Emergency Savings Reserve Fund shall remain in the Fund.

(2) Except as provided in subsection (3) of this section, the General Assembly shall reserve to the Emergency Savings Reserve Fund each fiscal year an amount equal to two percent of the amount appropriated from the General Fund, excluding General Fund receipts, for capital and operating expenses for the prior fiscal year until the Fund contains an amount equal to twelve and one-half percent of the amount appropriated from the General Fund, excluding General Fund receipts, for capital and operating expenses for the prior fiscal year. The General Assembly may by statute provide for the deposit of additional funds in the Emergency Savings Reserve Fund.

(3) The General Assembly may decline to reserve funds to the Emergency Savings Reserve Fund, provide for the expenditure of funds from the Emergency Savings Reserve Fund, or both. An act declining to reserve funds to the Emergency Savings Reserve Fund, providing for the expenditure of funds in the Emergency Savings Reserve Fund, or both, shall become law only if two-thirds of all the members of each house vote to pass the bill.

(4) No money shall be drawn from the Emergency Savings Reserve Fund but in consequence of appropriations from the Fund made by an act passed by two-thirds of all the members of each house. The constitutional powers of the Governor do not authorize (i) the expenditure of money in the Emergency Savings Reserve Fund without an appropriation by the General Assembly or (ii) the diversion for other purposes of money appropriated from the Emergency Savings Reserve Fund by the General Assembly.

(5) This section shall not be construed to prevent the General Assembly from authorizing by statute the use of money in the Emergency Savings Reserve Fund on a temporary basis to meet the cash flow needs of the State.

"Sec. 2. Income tax rate limited to five and one-half percent.

The rate of tax on incomes shall not in any case exceed five and one-half percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed."

SECTION 2.1.(b) Section 2 of Article V of the North Carolina Constitution reads as rewritten:

"Sec. 2. State and local taxation.

...

~~(6) Income tax. The rate of tax on incomes shall not in any case exceed ten percent, and there shall be allowed personal exemptions and deductions so that only net incomes are taxed. Tax on incomes shall be subject to the provisions of Section 2 of Article XV of this Constitution."~~

SECTION 2.1.(c) Section 22 of Article II of the North Carolina Constitution is amended by adding a new subsection to read:

"(3a) Emergency Savings Reserve Fund Bills. Every bill declining to reserve funds to the Emergency Savings Reserve Fund, providing for the expenditure of funds from the Emergency Savings Reserve Fund, or both, and containing no other matter shall be read three times in each house before it becomes law and shall be signed by the presiding officers of both houses."

SECTION 2.2. The amendments set out in Section 2.1 of this act shall be submitted to the qualified voters of the State at a statewide general election to be held November 8, 2016, which election shall be conducted under the laws then governing elections in the State. The question to be used in the voting systems and ballots shall be:

"[] FOR [] AGAINST

Constitutional amendments to provide for taxpayer protections that would establish and require yearly deposits in an Emergency Savings Reserve Fund in the State Treasury and reduce the maximum allowable income tax rate in North Carolina from ten percent (10%) to five and one-half percent (5.5%)."

SECTION 2.3. If a majority of votes cast on the question are in favor of the amendments set out in Section 2.1 of this act, the State Board of Elections shall certify the

1 amendments to the Secretary of State. The constitutional amendments set out in Section 2.1 of this
2 act become effective upon such certification and apply as follows:

- 3 (1) Section 1 of Article XV of the North Carolina Constitution applies to fiscal
4 years beginning on or after July 1, 2017.
- 5 (2) Section 2 of Article XV of the North Carolina Constitution applies to taxable
6 years beginning on or after January 1, 2020. The amendment to Section 2 of
7 Article V of the North Carolina Constitution applies to taxable years beginning
8 on or after January 1, 2020.
- 9 (3) Section 22(3a) of Article II of the North Carolina Constitution applies upon
10 certification by the Secretary of State.

11 The Secretary of State shall enroll the amendments so certified among the permanent
12 records of that office.

13 14 **PART III. RIGHT TO HUNT, FISH, AND HARVEST WILDLIFE**

15 **SECTION 3.1.** Article I of the North Carolina Constitution is amended by adding a
16 new section to read:

17 **"Sec. 40. Right to Hunt, Fish, and Harvest Wildlife.**

18 The traditions of hunting and fishing are valuable parts of the State's heritage, important for
19 conservation, and a preferred means of managing wildlife. The people have a right to hunt, fish,
20 and harvest wildlife, using traditional methods, subject to such reasonable regulations as the
21 General Assembly may prescribe to promote wildlife conservation and management and to
22 preserve the future of hunting and fishing. This section shall not be construed to modify any
23 provision of law relating to public safety, trespass, property rights, eminent domain, or the
24 regulation of commercial activities."

25 **SECTION 3.2.(a)** The amendment set out in Section 3.1 of this act shall be submitted
26 to the qualified voters of the State at a statewide election to be conducted on November 8, 2016,
27 which election shall be conducted under the laws then governing elections in the State. The
28 question to be used in the voting systems and ballots shall be:

29 FOR AGAINST

30 Constitutional amendment to protect the right of the people to hunt, fish, and harvest
31 wildlife."

32 **SECTION 3.2.(b)** If a majority of votes cast on the question are in favor of the
33 amendment set out in Section 3.1 of this act, the State Board of Elections shall certify the
34 amendment to the Secretary of State. The Secretary of State shall enroll the amendment so
35 certified among the permanent records of that office. The amendment set out in Section 3.1 of this
36 act becomes effective January 1, 2017.

37 38 **PART IV. EFFECTIVE DATE**

39 **SECTION 4.** Except as otherwise provided, this act is effective when it becomes law.