

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS65266-LK-151 (3/16)

Short Title: Trust Fund For Essential Services.

(Public)

Sponsors: Senators Blake, and Stevens.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CREATE A TRUST FUND FOR ESSENTIAL SERVICES AND TO
LIMIT ANY EXPENDITURE FROM THE FUND UNTIL AFTER JANUARY 1,
2057.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 143 of the General Statutes is amended by adding a
new section to read:

"§ 143-15.3E. Trust Fund For Essential Services.

"(a) The Trust Fund For Essential Services is established as an interest-bearing, nonreverting special trust fund in the Office of State Budget and Management. Moneys in the Trust Fund For Essential Services shall be held in trust and used solely to provide essential services to the citizens of North Carolina if funds from all other sources available to the State are inadequate to provide those essential governmental services.

The State Treasurer shall hold the Trust Fund For Essential Services separate and apart from all other moneys, funds, and accounts. The State Treasurer shall be the custodian of the Trust Fund For Essential Services and shall invest its assets in accordance with G.S. 147-69.2 and G.S. 147-69.3. Investment earnings credited to the assets of the Trust Fund For Essential Services shall become part of the Trust Fund For Essential Services. Any balance remaining in the Trust Fund For Essential Services at the end of any fiscal year shall be carried forward in the Trust Fund For Essential Services for the next succeeding fiscal year.

The Lottery Commission shall annually pay to the Trust Fund For Essential Services five percent (5%) of the net proceeds of the State lottery.

No funds may be expended from the Trust Fund For Essential Services before January 1, 2057. After January 1, 2057, only one-half of the annual interest earned on the Trust Fund during the previous year may be appropriated by the General Assembly. The corpus of the Trust Fund may be expended only after January 1, 2057, and only

1 upon a vote of two-thirds majority of each house of the General Assembly present and
2 voting.

3 (b) The Director may not use funds in the Trust Fund For Essential Services
4 unless the use has been approved by an act of the General Assembly."

5 **SECTION 2.** Article XIV of the Constitution of North Carolina is amended
6 by adding a new section to read:

7 "**Sec. 6. Trust Fund For Essential Services.**

8 At least five percent (5%) of the net proceeds of any State Lottery shall be deposited
9 in the Trust Fund For Essential Services. The principal and interest of the Trust Fund
10 For Essential Services shall not be expended before January 1, 2057. After January 1,
11 2057, only one-half of the annual interest earned on the Trust Fund during the previous
12 year may be appropriated by the General Assembly. The corpus of the Trust Fund may
13 be expended only after January 1, 2057, and only upon a vote of two-thirds majority of
14 each house of the General Assembly present and voting."

15 **SECTION 3.** The amendment set out in Section 2 of this act shall be
16 submitted to the qualified voters of the State at a general election in November of 2006,
17 which election shall be conducted under the laws then governing elections in the State.
18 Ballots, voting systems, or both may be used in accordance with Chapter 163 of the
19 General Statutes. The question to be used in voting systems and ballots shall be:

20 "[] FOR [] AGAINST

21 Constitutional amendment providing for the establishment a Trust Fund For
22 Essential Services".

23 **SECTION 4.** If a majority of the votes cast on the question are in favor of
24 the amendment set out in Section 2 of this act, the State Board of Elections shall certify
25 the amendment to the Secretary of State. The amendment becomes effective January 1,
26 2007. The Secretary of State shall enroll the amendment so certified among the
27 permanent records of that office.

28 **SECTION 5.** This act is effective when it becomes law.