

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 273
Committee Substitute Favorable 4/4/23

Short Title: Local Government Budget Process.

(Public)

Sponsors:

Referred to:

March 7, 2023

A BILL TO BE ENTITLED
AN ACT TO INCREASE INFORMATION IN THE BUDGET OFFICER'S MESSAGE, TO
REQUIRE AN ADDITIONAL BUDGET HEARINGS UNDER THE LOCAL
GOVERNMENT BUDGET AND FISCAL CONTROL ACT AND WRITTEN NOTICE OF
PROPOSED INCREASED IN THE PROPERTY TAX RATE OR PUBLIC ENTERPRISE
RATES WHEN THE LOCAL GOVERNMENT IS ON THE UNIT ASSISTANCE LIST.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 159-12 reads as rewritten:

"§ 159-12. Filing and publication of the budget; budget hearings.

(a) On the same day that ~~he~~ the budget officer submits the budget to the governing board, the budget officer shall file a copy of ~~it~~ the proposed budget ordinance in the office of the clerk to the ~~board~~ governing board, along with a budget message, where ~~it~~ both shall remain available for public inspection until the budget ordinance is adopted. The budget message shall include a general description of the proposed budget, all proposed tax rates and the change in those rates from the prior budget ordinance, all proposed fees and the change in those fees from the prior adopted fees, and other synopsis information the budget officer deems important. The clerk shall make a copy of the budget and budget message available to all news media in the county.

(a1) ~~He~~ The budget officer shall also publish a statement that the budget has been submitted to the governing board, and is available for public inspection in the office of the clerk to the governing board. The statement shall also give notice of the time and place of the budget ~~hearing~~ hearings required by subsection (b) of this section.

(b) Before adopting the budget ordinance, the board shall hold a public hearing at which time any persons who wish to be heard on the budget may appear.

(c) In each fiscal year a local government is on the unit assistance list and the fiscal year after the local government is removed from the unit assistance list, the governing board shall also do all of the following prior to adopting the budget ordinance:

(1) Hold an additional public hearing on the proposed budget ordinance on a date separate from the public hearing required by subsection (b) of this section, at which time any persons who wish to be heard on the budget may appear. At least one of the required public hearings shall provide the public with detailed revenue information, including at least the following information for the prior two fiscal years:

- a. The tax rate.
- b. The tax base.
- c. The tax collection rate.
- d. With respect to each public enterprise fund:



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1. Rates charged.
2. Any amounts transferred to the public enterprise fund from the general fund.
3. Any amounts transferred from the public enterprise fund to the general fund.
4. Any debt service payments paid by the public enterprise fund and the estimated completion date of those debt service payments.

(2) If the proposed budget ordinance raises the ad valorem property tax rate from the previous fiscal year's budget ordinance, notify every affected property owner in writing by mail with the United States Postal Service at least 10 days prior to the date of the public hearing dedicated to the revenue portion of the proposed budget ordinance. Such mailing shall include all of the following:

- a. The date, time, and location of the public hearing.
- b. The contact information of the governing board.
- c. An explanation of how to access a copy of the proposed budget ordinance.

(3) If the proposed budget ordinance raises the rates charged by a public enterprise fund or proposes a transfer of any amount from the general fund to a public enterprise fund, notify each periodically billed customer of that public enterprise fund in writing by mail with the United States Postal Service at least 10 days prior to the date of the public hearing dedicated to the revenue portion of the proposed budget ordinance. For purposes of this subdivision, the notification may be included on or with any periodic billing addressed to the customer of record and a raise in the rates shall include an increase in the rate charged or an increase in base rates. Such mailing shall include all of the following:

- a. The date, time, and location of the public hearing.
- b. The contact information of the governing board.
- c. An explanation of how to access a copy of the proposed budget ordinance."

SECTION 2. Except as otherwise provided, this act becomes effective July 1, 2024, and applies to budgets adopted on or after that date.