

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 2763

Short Title: Tobacco Trust Fund Transfer. (Public)

Sponsors: Representatives Hill, L. Allen, Goforth, Rapp (Primary Sponsors); Bell, Brown, Church, Langdon, LaRoque, Nye, Pate, Stam, Underhill, Walend, Warren, Williams, and Wilson.

Referred to: Appropriations.

May 30, 2006

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE FY 2005-2006 AND 2006-2007 TRANSFER FROM THE TOBACCO TRUST FUND DESIGNATED IN SESSION LAW 2005-276, SENATE BILL 622.

The General Assembly of North Carolina enacts:

SECTION 1. Section 2.2(a) of S.L. 2005-276 reads as rewritten:

"GENERAL FUND AVAILABILITY STATEMENT

SECTION 2.2.(a) The General Fund availability used in developing the 2005-2007 biennial budget is shown below:

	FY 2005-2006	FY 2006-2007
Unappropriated Balance Remaining from Previous Year	\$ 0	\$ 117,227,875
Projected Over Collections FY 2004-2005	681,500,000	0
Projected Reversions FY 2004-2005	115,000,000	0
Less Earmarkings of Year End Credit Balance		0
Savings Reserve Account	(199,125,000)	0
Repairs and Renovations	(125,000,000)	0
Beginning Unreserved Credit Balance	\$ 472,375,000	\$ 114,345,875
Revenues Based on Existing Tax Structure	\$ 15,417,300,000	\$ 16,993,257,284
Nontax Revenues		
Investment Income	74,800,000	78,700,000
Judicial Fees	144,800,000	148,300,000
Disproportionate Share	100,000,000	100,000,000
Insurance	49,500,000	51,300,000

1	Other Nontax Revenues	138,000,000	151,300,000
2	Highway Trust Fund/Use Tax		
3	Reimbursement Transfer	252,558,117	252,663,009
4	Highway Fund Transfer	16,166,400	16,166,400
5	Subtotal Nontax Revenues	\$ 775,824,517	\$ 798,429,409
6			
7	Total General Fund Availability	\$ 16,665,499,517	\$ 16,990,375,284
8			
9	Adjustments to Availability: 2005 Session		
10	Streamlined Sales Tax Changes	40,000,000	61,700,000
11	Maintain 4.5% Sales Tax Rate	417,100,000	462,700,000
12	Other Sales Tax Changes		
13	Apply Sales Tax to Candy	9,800,000	15,800,000
14	Apply General Sales Tax Rate to Cable	10,900,000	26,100,000
15	Exempt Potting Soil for Farmers	(200,000)	(300,000)
16	Tobacco Tax Rate Changes	118,800,000	189,400,000
17	Extend 8.25% Individual Income		
18	Tax Rate for 2 years	39,800,000	89,700,000
19	Continue Use Tax Line on Individual Returns	3,200,000	3,200,000
20	Conform Estate Tax to Federal Sunset	29,100,000	115,600,000
21	Film Industry Jobs Incentives	(3,500,000)	(3,500,000)
22	IRC Update – Partial Conformance	(8,000,000)	(10,700,000)
23	Adjust Rates for Health Maintenance		
24	Organizations	0	14,300,000
25	Increase Earmarking for		
26	NC Grape Growers Council	(150,000)	(150,000)
27	Proceeds from the Sale of the Polk Building	4,977,781	0
28	Justice and Public Safety Fees	17,028,271	20,428,271
29	Transfer from Tobacco Trust Fund	34,000,000	30,000,000
30		<u>30,000,000</u>	<u>25,000,000</u>
31	Transfers from Special Revenue and Other Funds	5,453,950	0
32	Reimburse Debt Service for		
33	Certain Capital Facilities and		
34	Land Acquisition per S.L. 2004-179	5,958,723	21,060,827
35	Transfer to Civil Penalty and Forfeiture Fund	(80,000,000)	(85,000,000)
36	Suspend Highway Fund Transfer	(16,166,400)	(16,166,400)
37	Adjust Transfer from Insurance Regulatory Fund	389,013	243,813
38	Adjust Transfer from Treasurer's Office	468,478	67,478
39			
40	Subtotal Adjustments to Availability:		
41	2005 Session	\$ 628,959,816	\$ 934,483,989
42		<u>\$ 624,959,816</u>	<u>\$ 929,483,989</u>
43			
44	Revised General Fund Availability	\$ 17,294,459,333	\$ 17,927,741,273

1		<u>\$ 17,290,459,333</u>	<u>\$ 17,922,741,273</u>
2			
3	Less: General Fund Appropriations		
4	SB 622 (2005 Appropriations Act)	(17,077,231,458)	(17,293,127,963)
5	G.S. 143-15.3B: Clean Water		
6	Management Trust Fund	(100,000,000)	(100,000,000)
7			
8	Total General Fund Appropriations		
9	2005-2007 Biennium	<u>(\$17,177,231,458)</u>	<u>(\$17,393,127,963)</u>
10		<u>(\$17,173,231,458)</u>	<u>(\$17,387,127,963)</u>
11			
12	Unappropriated Balance Remaining	\$ 117,227,875	\$ 534,613,310
13		<u>\$ 113,227,875</u>	<u>\$ 529,613,310</u>

14 **SECTION 2.** Section 2.2(b) of S.L. 2005-276 reads as rewritten:

15 "**SECTION 2.2.(b)** Notwithstanding G.S. 143-16.4(a2), of the funds credited to the
16 Tobacco Trust Account from the Master Settlement Agreement pursuant to Section 6(2)
17 of S.L. 1999-2 during the 2005-2007 fiscal biennium, the sum of ~~thirty-four~~thirty
18 million dollars ~~(\$34,000,000)~~(\$30,000,000) for the 2005-2006 fiscal year and the sum
19 of ~~thirty-twenty-five~~ million dollars ~~(\$30,000,000)~~(\$25,000,000) for the 2006-2007
20 fiscal year shall be transferred from the Department of Agriculture and Consumer
21 Services, Budget Code 23703 (Tobacco Trust Fund) to the State Controller to be
22 deposited in Nontax Budget Code 19978 (Intrastate Transfers) to support General Fund
23 appropriations for the 2005-2006 and 2006-2007 fiscal years."

24 **SECTION 3.** This act becomes effective July 1, 2005.