

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 964\*

Short Title: Local Infrastructure Trust Fund.

(Public)

Sponsors: Representatives Arnold and Wilkins (Co-sponsors); and Hurley.

Referred to: Finance.

April 12, 1995

A BILL TO BE ENTITLED  
AN ACT TO ESTABLISH THE LOCAL INFRASTRUCTURE TRUST FUND.

The General Assembly of North Carolina enacts:

Section 1. The General Statutes are amended by adding a new Chapter to read:

**"CHAPTER 159H.**

**"LOCAL INFRASTRUCTURE TRUST FUND.**

**"§ 159H-1. Creation of Fund.**

The Local Infrastructure Trust Fund is established as a special revenue fund within the State treasury. The Trust Fund consists of the following revenue:

- (1) General Fund investment earnings credited to the Trust Fund under G.S. 147-69.1(d).
- (2) The portion of the unreserved credit balance of the General Fund that is credited to the Trust Fund under G.S. 143-15.2.
- (3) Interest and other investment income earned by the Trust Fund.

**"§ 159H-2. Use of revenue in the Trust Fund.**

(a) To Certain Funds. – Revenue in the Trust Fund shall be credited to the funds listed in the following table in the percentages set in the table:

<u>Fund</u>	<u>Percentage</u>
<u>Clean Water Revolving Loan and Grant Fund,</u> <u>established by G.S. 159G-5</u>	<u>40%</u>
<u>Critical School Facility Needs Fund,</u> <u>established by G.S. 115C-489.1</u>	<u>36%</u>

1 Public School Building Capital Fund,  
2 established by G.S. 115C-546.1

24%

3 (b) Water Allocations. – The revenue credited in a fiscal year to the Clean Water  
4 Revolving Loan and Grant Fund shall be applied first to match any federal funds  
5 available for wastewater or water supply assistance. The remaining revenue credited to  
6 the Clean Water Revolving Loan and Grant Fund in a fiscal year shall be allocated  
7 among the wastewater accounts, the water supply accounts, and the Water Pollution  
8 Control Revolving Fund in the manner that will best serve the needs of the State, as  
9 determined by the Department of Environment, Health, and Natural Resources. In  
10 making loans or grants from the Clean Water Revolving Loan and Grant Fund, the  
11 Department shall award priority points to applicants whose proposed projects are part of  
12 a regional approach."

13 Sec. 2. G.S. 143-15.2 reads as rewritten:

14 **"§ 143-15.2. Use of General Fund credit balance.**

15 The State Controller shall reserve up to one-fourth of any unreserved credit balance,  
16 as determined on a cash basis, remaining in the General Fund at the end of each fiscal  
17 year to the Savings Reserve Account as provided in G.S. 143-15.3, unless that would  
18 result in the Savings Reserve Account having funds in excess of five percent (5%) of  
19 the amount appropriated the preceding year for the General Fund operating budget,  
20 including local government tax-sharing funds; in that case, only funds sufficient to  
21 reach the five percent (5%) level shall be reserved. ~~credited to the Savings Reserve~~  
22 Account and the difference between the amount needed to reach the five percent (5%)  
23 level and the amount equal to one-fourth of the unreserved credit balance shall be  
24 credited to the Local Infrastructure Trust Fund, established under G.S. 159H-1. The  
25 State Controller shall also reserve the lesser of (i) one-fourth of any unreserved credit  
26 balance, as determined on a cash basis, remaining in the General Fund and (ii) one and  
27 one-half percent (1.5%) of the replacement value of all State buildings supported from  
28 the General Fund, at the end of each fiscal year to the Repairs and Renovations Reserve  
29 Account as provided in G.S. 143-15.3A. The General Assembly may appropriate that  
30 part of the anticipated General Fund credit balance not expected to be reserved to the  
31 Savings Reserve ~~Account~~ Account, the Local Infrastructure Trust Fund, or the Repairs  
32 and Renovations Reserve Account only for capital improvements or other one-time  
33 expenditures. As used in this section, the term 'unreserved credit balance' means the  
34 credit balance amount, as determined on a cash basis, before funds are reserved by the  
35 Controller to the Savings Reserve Account or the Repairs and Renovations Reserve Account  
36 pursuant to G.S. 143-15.3 and G.S. 143-15.3A, in accordance with this section."

37 Sec. 3. G.S. 147-69.1(d) reads as rewritten:

38 "(d) Unless otherwise provided by law, the interest or income received and  
39 accruing from all deposits or investments of such cash balances shall be paid into the  
40 State's General Fund, except that all interest or income received and accruing on the  
41 monthly balance of the Highway Fund shall be paid into the State Highway Fund. The  
42 cash balances of the several funds may be combined for deposit or investment purposes;  
43 and when such combined deposits or investments are made, the interest or income  
44 received and accruing from all deposits or investments shall be prorated among the

1 funds in conformity with applicable law and the rules and regulations adopted by the  
2 Governor and Council of State. Within 30 days after the end of each fiscal year, the  
3 State Treasurer shall credit one-half of the interest or income that accrued to the General  
4 Fund during that fiscal year to the Local Infrastructure Trust Fund, established under  
5 G.S. 159H-1."

6           Sec. 4. This act becomes effective July 1, 1995.