

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1311*

Short Title: Funds for Low-Income Housing.

(Public)

Sponsors: Senators Rand and Gulley.

Referred to: Appropriations.

May 27, 1998

A BILL TO BE ENTITLED

1 AN ACT TO RESERVE FOUR PERCENT OF THE UNRESERVED CREDIT
2 BALANCE IN THE GENERAL FUND AT THE END OF EACH FISCAL YEAR
3 TO THE HOUSING TRUST FUND AND TO RESERVE TWO PERCENT OF THE
4 UNRESERVED CREDIT BALANCE IN THE GENERAL FUND AT THE END OF
5 EACH FISCAL YEAR TO THE DEPARTMENT OF COMMERCE FOR THE
6 CENTER FOR COMMUNITY SELF-HELP.
7

8 The General Assembly of North Carolina enacts:

9 Section 1. Article 1 of Chapter 143 of the General Statutes is amended by
10 adding a new section to read:

11 "**§ 143-15.3D. Housing fund.**

12 (a) The State Controller shall reserve to the Housing Trust Fund, established in
13 Chapter 122E of the General Statutes, four percent (4%) of any unreserved credit balance
14 remaining in the General Fund at the end of each fiscal year or twenty million dollars
15 (\$20,000,000), whichever is greater. The funds in the Housing Trust Fund shall be used
16 only in accordance with Chapter 122E of the General Statutes.

17 (b) The State Controller shall reserve to the Department of Commerce for the
18 Center for Community Self-Help two percent (2%) of any unreserved credit balance
19 remaining in the General Fund at the end of each fiscal year or ten million dollars

1 (\$10,000,000), whichever is greater. The funds distributed to the Center for Community
2 Self-Help shall be used as provided in G.S. 143B-437.06."

3 Section 2. Part 2 of Article 10 of Chapter 143B of the General Statutes is
4 amended by adding a new section to read:

5 "**§ 143B-437.06. Community Self-Help Home Ownership Program.**

6 (a) Funds. – The Department of Commerce shall remit to the Center for
7 Community Self-Help the funds reserved under G.S. 143-15.3D(b). The Department of
8 Commerce shall disburse the funds within 15 working days after the receipt of a request
9 for the funds from the Center for Community Self-Help. The request shall include a
10 commitment of the leveraged funds by the Center or its affiliates.

11 (b) Loan Program. – The funds remitted under this section shall be used to further
12 a statewide program of lending for owner-occupied home ownership throughout North
13 Carolina. These funds shall be leveraged on a ten-to-one basis, generating at least ten
14 dollars (\$10.00) of nontraditional home loans for every one dollar (\$1.00) of State funds.
15 Repayments shall be available for further loans or guarantees.

16 (c) Audits. – The Center for Community Self-Help shall submit within 180 days
17 after the close of its fiscal year, audited financial statements to the State Auditor. All
18 records pertaining to the use of State funds shall be made available to the State Auditor
19 upon request. The Department of State Auditor may conduct an annual end-of-year audit
20 of the revolving fund for home ownership lending created by this section each year of the
21 life of the revolving fund.

22 (d) Reports. – The Center for Community Self-Help shall make quarterly reports
23 on the use of State funds to the State Auditor, in form and format prescribed by the State
24 Auditor. The Center for Community Self-Help shall make a written report by May 1 of
25 each year of the life of the revolving fund to the General Assembly on the use of the
26 funds allocated under this section. The Center for Community Self-Help shall also report
27 to the Joint Legislative Commission on Governmental Operations, the House
28 Appropriations Subcommittee on Natural and Economic Resources, the Senate
29 Appropriations Subcommittee on Natural and Economic Resources, and the Department
30 of Commerce on a quarterly basis for each year of the life of the revolving fund.

31 (e) Dissolution. – If the Center for Community Self-Help dissolves, the
32 corporation shall transfer the remaining assets of the revolving fund to the State and shall
33 refrain from disposing of the revolving fund assets without approval of the State
34 Treasurer."

35 Section 3. G.S. 143-15.2 reads as rewritten:

36 "**§ 143-15.2. Use of General Fund credit balance; priority uses.**

37 (a) As used in G.S. 143-15.3, 143-15.3A, ~~and 143-15.3B,~~ and 143-15.3D, the term
38 'unreserved credit balance' means the credit balance amount, as determined on a cash
39 basis, before funds are reserved by the State Controller to the Savings Reserve Account,
40 the Repairs and Renovations Reserve Account, ~~or~~ the Clean Water Management Trust
41 ~~Fund-Fund,~~ the Housing Trust Fund, or the Department of Commerce for the Center for
42 Community Self-Help pursuant to G.S. 143-15.3, 143-15.3A, ~~and 143-15.3B.~~ 143-15.3B,
43 and 143-15.3D.

1 (b) The State Controller shall transfer funds from the unreserved credit balance to
2 the Savings Reserve Account in accordance with G.S. 143-15.3(a).

3 (c) The State Controller shall transfer funds from the unreserved credit balance to
4 the Repairs and Renovation Reserve Account in accordance with G.S. 143-15.3A(a).

5 (d) The State Controller shall transfer funds from the unreserved credit balance to
6 the Clean Water Management Trust Fund in accordance with G.S. 143-15.3B(a).

7 (d1) The State Controller shall transfer funds from the unreserved credit balance to
8 the Housing Trust Fund in accordance with G.S. 143-15.3D(a), and to the Department of
9 Commerce for the Center for Community Self-Help in accordance with G.S. 143-
10 15.3D(b).

11 (e) The General Assembly may appropriate that part of the anticipated General
12 Fund credit balance not expected to be reserved only for capital improvements or other
13 one-time expenditures."

14 Section 4. G.S. 143-15.3 reads as rewritten:

15 "**§ 143-15.3. Savings Reserve Account.**

16 (a) There is established a Savings Reserve Account as a restricted reserve in the
17 General Fund. The State Controller shall reserve to the Savings Reserve Account one-
18 fourth of any unreserved credit balance remaining in the General Fund at the end of each
19 fiscal year until the account contains funds equal to five percent (5%) of the amount
20 appropriated the preceding year for the General Fund operating budget, including local
21 government tax-sharing funds, that were directly appropriated. In the event that the one-
22 fourth exceeds the amount necessary to reach the five percent (5%) level, only funds
23 necessary to reach that level shall be reserved. If there are insufficient funds in the
24 unreserved credit balance for the Savings Reserve Account, the Repairs and Renovations
25 Reserve Account, ~~and~~ the Clean Water Management Trust Fund, the Housing Trust Fund,
26 and the Department of Commerce for the Center for Community Self-Help, then the
27 requirements of this section shall be complied with first, and any remaining funds shall
28 be reserved to the Repairs and Renovations Reserve Account, in accordance with G.S.
29 143-15.3A, ~~and~~ the Clean Water Management Trust Fund, in accordance with G.S. 143-
30 ~~15.3B.~~ 143-15.3B, the Housing Trust Fund, in accordance with G.S. 143-15.3D(a), and
31 the Department of Commerce for the Center for Community Self-Help, in accordance
32 with G.S. 143-15.3D(b).

33 (a1) If the balance in the Savings Reserve Account falls below the five percent
34 (5%) level during a fiscal year, the State Controller shall, in accordance with subsection
35 (a) of this section, reserve to the Savings Reserve Account for the following fiscal years
36 up to one-fourth of any unreserved credit balance remaining in the General Fund at the
37 end of each fiscal year until the account again equals the five percent (5%) level set out in
38 subsection (a) of this section.

39 (b) The Director may not use funds in the Savings Reserve Account unless the use
40 has been approved by an act of the General Assembly."

41 Section 5. This act becomes effective June 30, 1998.