



HOUSE BILL 273: Local Government Budget Process.

2023-2024 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	May 2, 2023
Introduced by:	Reps. Winslow, Balkcom	Prepared by:	Erika Churchill, Billy Godwin, and Alex Ramirez,
Analysis of:	Second Edition		Staff Attorneys

OVERVIEW: *House Bill 273 would:*

- *Add requirements to the content of the budget officer's budget message for all units subject to the Local Government Budget and Fiscal Control Act.*
- *For those local governments on the unit assistance list, require the following:*
 - *An additional public budget hearing prior to adoption of a local government budget ordinance.*
 - *Written notice to all property owners if the budget includes a property tax increase.*
 - *Written notice to periodically billed customers of a public enterprise if the budget includes either a rate increase or a transfer of funds from the general fund to the public enterprise.*

CURRENT LAW: The Local Government Budget and Fiscal Control Act requires the budget officer, on the same day that the budget is submitted to the governing board, to file a copy of it in the office of the clerk to the board where it must remain available for public inspection until the budget ordinance is adopted. The clerk must make a copy of the budget available to all news media in the county and publish a statement that the budget has been submitted to the governing board, is available for public inspection in the office of the clerk to the board and give notice of the time and place of the required budget hearing. Before adopting the budget ordinance, the governing board must hold a public hearing at which time any persons who wish to be heard on the budget may appear.

BILL ANALYSIS: The bill would require specify the information to be included in the budget officer's budget message as at least the following:

- 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.
- Other synopsis information the budget officer deems important.

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For local governments currently on the Unit Assistance List and local governments that came off the Unit Assistance List in the prior fiscal year, the bill would do the following:

- Require the governing board of any unit of local government to hold two public hearings on the budget. One of the two public hearings must provide the public with specific revenue information related to the local government's property tax and enterprise funds.
- Require the governing board, when the proposed budget ordinance raises the property tax rate from the previous fiscal year, to notify every affected property owner in the jurisdiction in writing by U.S. Mail at least 10 days prior to the date of the public hearing on the budget.
- Require the governing board, when the proposed budget ordinance raises the rate charged by a public enterprise fund or proposes a transfer of any amount from the general fund to the public enterprise fund, to notify every customer of record who is periodically billed, in writing by U.S. Mail at least 10 days prior to the date of the public hearing on the budget. The notification may be included on the periodic billing.

EFFECTIVE DATE: This act would be effective July 1, 2024, and apply to budgets adopted on or after that date.