

appointments are made to the Airport Authority in accordance with the procedures set forth in Section 2.

Sec. 8. All sections, subsections, and parts of this act are declared severable, and a finding that any section, subsection, or part of this act is unconstitutional shall not affect the validity of remaining sections, subsections, or parts.

Sec. 9. This act shall become effective upon ratification by the General Assembly of the State of North Carolina.

In the General Assembly read three times and ratified, this the 23rd day of June, 1977.

H. B. 100 CHAPTER 690

AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA TO INSURE THE CONTINUATION OF THE POLICY OF A BALANCED BUDGET.

The General Assembly of North Carolina enacts:

Section 1. Article III, Section 5(3) of the Constitution of North Carolina is amended by adding thereto a second unnumbered paragraph as follows:

"The total expenditures of the State for the fiscal period covered by the budget shall not exceed the total of receipts during that fiscal period and the surplus remaining in the State Treasury at the beginning of the period. To insure that the State does not incur a deficit for any fiscal period, the Governor shall continually survey the collection of the revenue and shall effect the necessary economies in State expenditures, after first making adequate provision for the prompt payment of the principal of and interest on bonds and notes of the State according to their terms, whenever he determines that receipts during the fiscal period, when added to any surplus remaining in the State Treasury at the beginning of the period, will not be sufficient to meet budgeted expenditures. This section shall not be construed to impair the power of the State to issue its bonds and notes within the limitations imposed in Article V of this Constitution, nor to impair the obligation of bonds and notes of the State now outstanding or issued hereafter.

Sec. 2. The amendment set out in Section 1 of this act shall be submitted to the qualified voters of the State at the next general election or at the next statewide election, whichever first occurs. That election shall be conducted under the laws then governing elections in this State. The State shall reimburse the counties of the State for all necessary expenses incurred in holding said election and registration therefor, the same to be paid out of the Contingency and Emergency Fund unless otherwise expressly provided for.

Sec. 3. At that election, each qualified voter presenting himself to vote shall be provided a ballot on which shall be printed the following:

FOR constitutional amendment requiring that the total expenditures of the State for the fiscal period covered by the State budget shall not exceed the total of revenues raised during that fiscal period and any surplus remaining in the State Treasury at the beginning of the period, and requiring the Governor to effect the necessary economies in State expenditures whenever he determines that a deficit is threatened.

AGAINST constitutional amendment requiring that the

total expenditures of the State for the fiscal period covered by the State budget shall not exceed the total of revenues raised during that fiscal period and any surplus remaining in the State Treasury at the beginning of the period, and requiring the Governor to effect the necessary economies in State expenditure whenever he determines that a deficit is threatened."

Those qualified voters favoring the amendment set out in Section 1 of this act shall vote by marking X on check mark in the square beside the statement beginning "FOR", and those qualified voters opposed to that amendment shall vote by marking an X or check mark in the square beside the statement beginning "AGAINST".

Notwithstanding the foregoing provisions of this section, voting machines may be used in accordance with rules and regulations prescribed by the State Board of Elections.

Sec. 4. If a majority of the votes cast thereon are in favor of the amendment set out in Section 1 of this act, the Governor shall certify the amendment to the Secretary of State, who shall enroll the amendment so certified among the permanent records of his office. The amendment shall become effective upon such certification and shall apply to the State budget enacted for the fiscal period beginning July 1, 1977, and all subsequent fiscal periods.

Sec. 5. This act shall become effective upon ratification.

In the General Assembly read three times and ratified, this the 23rd day of June, 1977.

H. B. 445

CHAPTER 691

AN ACT TO PROVIDE FOR THE FIXING OF UTILITY RATES IN NORTH CAROLINA BASED UPON THE REASONABLE ORIGINAL COST OF THE PROPERTY OF THE PUBLIC UTILITY USED AND USEFUL IN PROVIDING SERVICE TO THE PUBLIC.

The General Assembly of North Carolina enacts:

Section 1. G.S. 62-2, entitled "Declaration of policy", is hereby amended to include a new subsection (5) as shown below and renumbering of present subsections (5), (6), (7), and (8) to (6), (7), (8), and (9) respectively:

"(5) To assure that facilities necessary to meet future growth can be financed by the utilities operating in this State on terms which are reasonable and fair to both the customers and existing investors of such utilities; and to that end to authorize fixing of rates in such a manner as to result in lower costs of new facilities and lower rates over the operating lives of such new facilities by making provisions in the rate-making process for the investment of public utilities in plant under construction."

Sec. 2. G.S. 62-133, entitled "How rates fixed", is hereby amended by rewriting subsections (b)(1) and (b)(4) of said G.S. 62-133 and by adding a new subsection (b)(5), and by renumbering and rewriting present subsection (b)(5) as subsection (b)(6), said rewritten and new subsections to read as follows:

"(1) Ascertain the reasonable original cost of the public utility's property used and useful, or to be used and useful within a reasonable time after the test period, in providing the service rendered to the public within this State, less that portion of the cost which has been consumed by previous use recovered by depreciation expense plus the reasonable original cost of investment in plant