

Balanced Budget Amendment ^[1]

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by Joseph Ferrell, 2006

See also: [Advisory Budget Commission](#) ^[2]

The [Balanced Budget Amendment](#) ^[3], sponsored by Rep. John Gamble of [Lincoln County](#) ^[4], was adopted as part of the [North Carolina Constitution](#) ^[5] in 1977. The amendment requires that the state conduct its fiscal affairs on a cash basis, at least on the revenue side of the ledger, and that state government as a whole may not spend in any given fiscal period more money than is added to the state treasury during that period. The amendment gave constitutional sanction to what had been statute law since enactment of the [Executive Budget Act in 1925](#) ^[6].

Both the state constitution and Section 143-25 of the General Statutes of North Carolina, a portion of the Executive Budget Act, require the [governor](#) ^[7] (designated by the state constitution as director of the budget) to "continually survey the collection of the revenue" and "effect the necessary economies in state expenditures" to prevent expenditures from exceeding available revenue. The governor recommends and the [General Assembly](#) ^[8] enacts a balanced budget by estimating revenue and appropriating expenditures for specific purposes. Once the budget is enacted, only the expenditure side of the equation can be controlled with any degree of certainty. The constitution and statutes, therefore, direct the governor to observe the [balanced budget](#) ^[2] requirement by curtailing expenditures if revenues fail to materialize in the anticipated amounts.

Additional Resources:

"An Act to Amend the Constitution of North Carolina to Insure the Continuation of the Policy of a Balanced Budget." *Session laws and resolutions passed by the 1977 General Assembly*. Winston-Salem, N.C.: Hunter Publishing Company. 1977. p. 837-838. <https://digital.ncdcr.gov/Documents/Detail/session-laws-and-resolutions-passed-by-the-general-assembly-1977/4020607?item=4024470> ^[9] (accessed September 17, 2012).

Subjects:

[Law and legal history](#) ^[10]

[Post War 20th Century \(1946-2000\)](#) ^[11]

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From:

[Encyclopedia of North Carolina, University of North Carolina Press.](#) ^[13]

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^[1] <https://ncpedia.org/balanced-budget-amendment> ^[2] <https://ncpedia.org/advisory-budget-commission> ^[3] <https://digital.ncdcr.gov/Documents/Detail/session-laws-and-resolutions-passed-by-the-general-assembly-1977/4020607?item=4054162> ^[4] <https://ncpedia.org/geography/lincoln> ^[5] <https://ncpedia.org/government/nc-constitution-history> ^[6] <https://digital.ncdcr.gov/Documents/Detail/public-laws-and-resolutions-passed-by-the-general-assembly-at-its-session-of-...1925/1952776?item=2055746?item=2057908> ^[7] <https://ncpedia.org/government/governorship> ^[8] <https://ncpedia.org/general-assembly> ^[9] <https://digital.ncdcr.gov/Documents/Detail/session-laws-and-resolutions-passed-by-the-general-assembly-1977/4020607?item=4024470> ^[10] <https://ncpedia.org/category/subjects/laws> ^[11] <https://ncpedia.org/category/subjects/post-war-20th-cen> ^[12] <https://ncpedia.org/category/authors/ferrell-joseph-s> ^[13] <https://ncpedia.org/category/entry-source/encyclopedia->