

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1227
Committee Substitute Favorable 5/20/04

Short Title: Finance Parks and Heritage.

(Public)

Sponsors:

Referred to:

April 17, 2003

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF SPECIAL INDEBTEDNESS FOR CAPITAL IMPROVEMENTS AND LAND ACQUISITION FOR PARKS, RECREATION, AND THE PRESERVATION OF NATURAL HERITAGE.

The General Assembly of North Carolina enacts:

PART 1. PARKS RENOVATION AND ACQUISITION

SECTION 1.1. Authorization. – In accordance with G.S. 142-83 this part authorizes the issuance or incurrence of special indebtedness in the maximum principal amount provided in this part to be used to finance the cost of parks projects. As used in this part, the term "parks projects" means capital projects for the State Parks System, repairs and renovations of park facilities, and land acquisition for the State Parks System, pursuant to G.S. 113-44.15(b)(1). Special indebtedness authorized by this section shall be issued or incurred only in accordance with Article 9 of Chapter 142 of the General Statutes.

SECTION 1.2. Identification of Parks Projects. – The specific parks projects for which the special indebtedness may be used are to be identified by the North Carolina Parks and Recreation Authority as provided in G.S. 113-44.15.

SECTION 1.3. Maximum Amount. – The maximum principal amount of special indebtedness that may be issued pursuant to this part is the maximum amount for which the aggregate annual principal and interest payments to be made in any year on the indebtedness will not exceed the annual amount identified in G.S. 113-44.15. If the annual amount is increased, the maximum principal amount increases accordingly.

SECTION 1.4. G.S. 113-44.15 reads as rewritten:

"§ 113-44.15. Parks and Recreation Trust Fund.

(a) **Fund Created.** – There is established a Parks and Recreation Trust Fund in the State Treasurer's Office. The Trust Fund shall be a nonreverting special revenue fund consisting of gifts and grants to the Trust Fund, monies credited to the Trust Fund pursuant to G.S. 105-228.30(b), and other monies appropriated to the Trust Fund by the General Assembly.

1 (b) Use. – Funds in the Trust Fund are annually appropriated to the North
2 Carolina Parks and Recreation Authority and, unless otherwise specified by the General
3 Assembly or the terms or conditions of a gift or grant, shall be allocated and used as
4 follows:

5 (1) Sixty-five percent (65%) for the State Parks System for capital
6 projects, repairs and renovations of park facilities, and land
7 ~~acquisition~~acquisition, and to retire debt incurred for these purposes
8 under Article 9 of Chapter 142 of the General Statutes.

9 (2) Thirty percent (30%) to provide matching funds to local governmental
10 units or public authorities as defined in G.S. 159-7 on a
11 dollar-for-dollar basis for local park and recreation purposes. The
12 appraised value of land that is donated to a local government unit or
13 public authority may be applied to the matching requirement of this
14 subdivision. These funds shall be allocated by the North Carolina
15 Parks and Recreation Authority based on criteria patterned after the
16 Open Project Selection Process established for the Land and Water
17 Conservation Fund administered by the National Park Service of the
18 United States Department of the Interior.

19 (3) Five percent (5%) for the Coastal and Estuarine Water Beach Access
20 Program.

21 (b1) Geographic Distribution. – In allocating funds in the Trust Fund under this
22 subsection, the North Carolina Parks and Recreation Authority shall consider
23 geographic distribution across the State to the extent practicable.

24 (b2) Administrative Expenses. – Of the funds appropriated to the North Carolina
25 Parks and Recreation Authority from the Trust Fund each year, no more than three
26 percent (3%) may be used by the Department for operating expenses associated with
27 managing capital improvements projects, acquiring land, and administration of local
28 grants programs.

29 (c) Reports. – The North Carolina Parks and Recreation Authority shall report no
30 later than October 1 of each year to the Joint Legislative Commission on Governmental
31 Operations, the House and Senate Appropriations Subcommittees on Natural and
32 Economic Resources, the Fiscal Research Division, and the Environmental Review
33 Commission on allocations from the Trust Fund from the prior fiscal year. The
34 Authority also shall provide a progress report no later than March 15 of each year to the
35 same recipients on the activities of and the expenditures from the Trust Fund for the
36 current fiscal year.

37 (d) Debt. – The Authority may allocate up to fifty percent (50%) of the portion of
38 the annual appropriation identified in subdivision (b)(1) of this section to reimburse the
39 General Fund for debt service on special indebtedness to be issued or incurred under
40 Article 9 of Chapter 142 of the General Statutes for the purposes provided in
41 subdivision (b)(1) of this section. In order to allocate funds for debt service
42 reimbursement, the Authority must identify to the State Treasurer the specific parks
43 projects for which it would like special indebtedness to be issued or incurred and the
44 annual amount it intends to make available, and request the State Treasurer to issue or

1 incur the indebtedness. After special indebtedness has been issued or incurred for a
2 parks project requested by the Authority, the Authority must credit to the General Fund
3 each year the lesser of the annual amount it identified in the request or the actual
4 aggregate principal and interest payments to be made in that year on the special
5 indebtedness, as identified by the State Treasurer."

6 **PART 2. PARKS, RECREATION, AND PRESERVATION OF NATURAL**
7 **HERITAGE**

8 **SECTION 2.1.** Authorization. – In accordance with G.S. 142-83, as enacted
9 by this act, this part authorizes the issuance or incurrence of special indebtedness in the
10 maximum principal amount provided in this part to be used to finance the cost of natural
11 heritage projects. As used in this part, the term "natural heritage projects" means
12 acquiring land for parks, recreation, and the preservation of natural heritage, pursuant to
13 G.S. 113-77.9(b)(1) and (2). Special indebtedness authorized by this section shall be
14 issued or incurred only in accordance with Article 9 of Chapter 142 of the General
15 Statutes.

16 **SECTION 2.2.** Identification of Natural Heritage Projects. – The specific
17 natural heritage projects for which the special indebtedness may be used are to be
18 identified by the Trustees of the Natural Heritage Trust Fund as provided in
19 G.S. 113-77.9.

20 **SECTION 2.3.** Maximum Amount. – The maximum principal amount of
21 special indebtedness that may be issued pursuant to this part is the maximum amount for
22 which the aggregate annual principal and interest payments to be made in any year on
23 the indebtedness will not exceed the annual amount identified in G.S. 113-77.9. If the
24 annual amount is increased, the maximum principal amount increases accordingly.

25 **SECTION 2.4.** G.S. 113-77.9 reads as rewritten:

26 **"§ 113-77.9. Acquisition of lands with funds from the Natural Heritage Trust**
27 **Fund.**

28 (a) Proposals. – From time to time, but at least once each year, the Secretary, the
29 Chairman of the North Carolina Wildlife Resources Commission, the Commissioner of
30 Agriculture, and the Secretary of Cultural Resources may propose to the Trustees lands
31 to be acquired with funds from the Fund. For each tract or interest proposed, the
32 Secretary, the Chairman of the North Carolina Wildlife Resources Commission, the
33 Commissioner of Agriculture, and the Secretary of Cultural Resources shall provide the
34 Trustees with the following information:

- 35 (1) The value of the land for recreation, forestry, fish and wildlife habitat,
36 and wilderness purposes, and its consistency with the plan developed
37 pursuant to the State Parks Act, the State's comprehensive plan for
38 outdoor recreation, parks, natural areas development, and wildlife
39 management goals and objectives.
- 40 (2) Any rare or endangered species on or near the land.
- 41 (3) Whether the land contains a relatively undisturbed and outstanding
42 example of a native North Carolina ecological community that is now
43 uncommon.

- 1 (4) Whether the land contains a major river or tributary, watershed,
2 wetland, significant littoral, estuarine, or aquatic site, or important
3 geologic feature.
- 4 (5) The extent to which the land represents a type of landscape, natural
5 feature, or natural area that is not currently in the State's inventory of
6 parks and natural areas.
- 7 (6) Other sources of funds that may be available to assist in acquiring the
8 land.
- 9 (7) The State department or division that will be responsible for managing
10 the land.
- 11 (8) What assurances exist that the land will not be used for purposes other
12 than those for which it is being acquired.
- 13 (9) Whether the site or structure is of such historical significance as to be
14 essential to the development of a balanced State program of historic
15 properties.
- 16 (b) Land Acquisition and Debt Service. – The Trustees may authorize
17 expenditures from the Fund ~~to acquire~~ for the following purposes:
- 18 (1) To acquire land ~~Land~~ that represents the ecological diversity of North
19 Carolina, including natural features such as riverine, montane, coastal,
20 and geologic systems and other natural areas to ensure their
21 preservation and conservation for recreational, scientific, educational,
22 cultural, and aesthetic ~~purposes~~ purposes, and to retire debt incurred
23 for this purpose under Article 9 of Chapter 142 of the General Statutes.
- 24 (2) To acquire land ~~Land~~ as additions to the system of parks, State trails,
25 aesthetic forests, fish and wildlife management areas, wild and scenic
26 rivers, and natural areas for the beneficial use and enjoyment of the
27 ~~public~~ public, and to retire debt incurred for this purpose under Article
28 9 of Chapter 142 of the General Statutes.
- 29 (3) Subject to the limitations of subsection (b2) of this section, land that
30 contributes to the development of a balanced State program of historic
31 properties.
- 32 (b1) Priorities. – In authorizing expenditures from the Fund to acquire land
33 pursuant to this Article, the first priority shall be the protection of land with outstanding
34 natural or cultural heritage values. Land with outstanding natural heritage values is land
35 that is identified by the North Carolina Natural Heritage Program as having State or
36 national significance. Land with outstanding cultural heritage values is land that is
37 identified, inventoried, or evaluated by the Department of Cultural Resources. The
38 Trustees shall be guided by any priorities established by the Secretary, the Chairman of
39 the Wildlife Resources Commission, the Commissioner of Agriculture, and the
40 Secretary of Cultural Resources in their proposals made pursuant to subsection (a) of
41 this section.
- 42 (b2) Historic Properties. – The Trustees may authorize expenditure of up to
43 twenty-five percent (25%) of the funds credited to the Fund pursuant to G.S. 105-228.30
44 during the preceding fiscal year to acquire land under subdivision (3) of subsection (b)

1 of this section. No other funds in the Fund may be used for expenditures to acquire land
2 under subdivision (3) of subsection (b) of this section.

3 (b3) Debt. – Of the funds credited annually to the Fund pursuant to
4 G.S. 105-228.30, the Trustees may authorize expenditure of up to fifty percent (50%) to
5 reimburse the General Fund for debt service on special indebtedness to be issued or
6 incurred under Article 9 of Chapter 142 of the General Statutes for the purposes
7 provided in subdivisions (b)(1) and (2) of this section. In order to authorize expenditure
8 of funds for debt service reimbursement, the Trustees must identify to the State
9 Treasurer and the Department of Administration the specific natural heritage projects
10 for which they would like special indebtedness to be issued or incurred and the annual
11 amount they intend to make available, and request the State Treasurer to issue or incur
12 the indebtedness. After special indebtedness has been issued or incurred for a natural
13 heritage project requested by the Trustees, the Trustees must direct the State Treasurer
14 to credit to the General Fund each year the lesser of the annual amount they identified in
15 the request or the actual aggregate principal and interest payments to be made in that
16 year on the special indebtedness, as identified by the State Treasurer.

17 (c) Other Purposes. – The Trustees may authorize expenditures from the Fund to
18 pay for the inventory of natural areas conducted under the Natural Heritage Program
19 established pursuant to the Nature Preserves Act, Article 9A of Chapter 113A of the
20 General Statutes. The Trustees may also authorize expenditures from the Fund to pay
21 for conservation and protection planning and for informational programs for owners of
22 natural areas, as defined in G.S. 113A-164.3.

23 (d) Acquisition. – The Department of Administration may, pursuant to
24 G.S. 143-341, acquire by purchase, gift, or devise all lands selected by the Trustees for
25 acquisition pursuant to this Article. Title to any land acquired pursuant to this Article
26 shall be vested in the State. A State agency with management responsibility for land
27 acquired pursuant to this Article may enter into a management agreement or lease with a
28 county, city, town, or private nonprofit organization qualified under G.S. 105-151.12
29 and G.S. 105-130.34 and certified under section 501(c)(3) of the Internal Revenue Code
30 to aid in managing the land. A management agreement or lease shall be executed by the
31 Department of Administration pursuant to G.S. 143-341.

32 (d1) Local Reimbursement. – In any county in which real property was purchased
33 pursuant to subsection (d) of this section as additions to the fish and wildlife
34 management areas and where less than twenty-five percent (25%) of the land area is
35 privately owned at the time of purchase, that county and any other local taxing unit shall
36 be annually reimbursed, for a period of 20 years, from funds available to the North
37 Carolina Wildlife Resources Commission in an amount equal to the amount of ad
38 valorem taxes that would have been paid to the taxing unit if the property had remained
39 subject to taxation.

40 (e) Reports. – The Secretary shall maintain and revise twice each year a list of
41 acquisitions made pursuant to this Article. The list shall include the acreage of each
42 tract, the county in which the tract is located, the amount paid from the Fund to acquire
43 the tract, and the State department or division responsible for managing the tract. The
44 Secretary shall furnish a copy of the list to each Trustee, the Joint Legislative

1 Commission on Governmental Operations, the House and Senate Appropriations
2 Subcommittees on Natural and Economic Resources, the Fiscal Research Division, and
3 the Environmental Review Commission within 30 days after each revision.

4 (f) Hunting and Fishing. – No provision of this Article shall be construed to
5 eliminate hunting and fishing, as regulated by the laws of the State of North Carolina,
6 upon properties purchased pursuant to this Article."

7 **SECTION 2.5.** Effective Date. – This act is effective when it becomes law.