

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003**

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SENATE BILL 1064

Short Title: Finance Parks and Heritage.

(Public)

Sponsors: Senator Kerr.

Referred to: Finance.

May 13, 2004

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 financing contract 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 financing contract 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 financing contracts 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

1 pursuant to G.S. 105-228.30(b), and other monies appropriated to the Trust Fund by the
2 General Assembly.

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

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

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

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

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

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

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

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

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

8 **PART 2. PARKS, RECREATION, AND PRESERVATION OF NATURAL**
9 **HERITAGE**

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

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

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

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

29 **"§ 113-77.9. Acquisition of lands with funds from the Natural Heritage Trust**
30 **Fund.**

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

- 38 (1) The value of the land for recreation, forestry, fish and wildlife habitat,
39 and wilderness purposes, and its consistency with the plan developed
40 pursuant to the State Parks Act, the State's comprehensive plan for
41 outdoor recreation, parks, natural areas development, and wildlife
42 management goals and objectives.

- 43 (2) Any rare or endangered species on or near the land.

- 1 (3) Whether the land contains a relatively undisturbed and outstanding
- 2 example of a native North Carolina ecological community that is now
- 3 uncommon.
- 4 (4) Whether the land contains a major river or tributary, watershed,
- 5 wetland, significant littoral, estuarine, or aquatic site, or important
- 6 geologic feature.
- 7 (5) The extent to which the land represents a type of landscape, natural
- 8 feature, or natural area that is not currently in the State's inventory of
- 9 parks and natural areas.
- 10 (6) Other sources of funds that may be available to assist in acquiring the
- 11 land.
- 12 (7) The State department or division that will be responsible for managing
- 13 the land.
- 14 (8) What assurances exist that the land will not be used for purposes other
- 15 than those for which it is being acquired.
- 16 (9) Whether the site or structure is of such historical significance as to be
- 17 essential to the development of a balanced State program of historic
- 18 properties.

19 (b) Land Acquisition and Debt Service. – The Trustees may authorize
 20 expenditures from the Fund ~~to acquire:~~for the following purposes:

- 21 (1) To acquire land ~~Land~~ that represents the ecological diversity of North
- 22 Carolina, including natural features such as riverine, montane, coastal,
- 23 and geologic systems and other natural areas to ensure their
- 24 preservation and conservation for recreational, scientific, educational,
- 25 cultural, and aesthetic ~~purposes:~~purposes, and to retire debt incurred
- 26 for this purpose under Article 9 of Chapter 142 of the General Statutes.
- 27 (2) To acquire land ~~Land~~ as additions to the system of parks, State trails,
- 28 aesthetic forests, fish and wildlife management areas, wild and scenic
- 29 ivers, and natural areas for the beneficial use and enjoyment of the
- 30 ~~public:~~public, and to retire debt incurred for this purpose under Article
- 31 9 of Chapter 142 of the General Statutes.
- 32 (3) Subject to the limitations of subsection (b2) of this section, land that
- 33 contributes to the development of a balanced State program of historic
- 34 properties.

35 (b1) Priorities. – In authorizing expenditures from the Fund to acquire land
 36 pursuant to this Article, the first priority shall be the protection of land with outstanding
 37 natural or cultural heritage values. Land with outstanding natural heritage values is land
 38 that is identified by the North Carolina Natural Heritage Program as having State or
 39 national significance. Land with outstanding cultural heritage values is land that is
 40 identified, inventoried, or evaluated by the Department of Cultural Resources. The
 41 Trustees shall be guided by any priorities established by the Secretary, the Chairman of
 42 the Wildlife Resources Commission, the Commissioner of Agriculture, and the
 43 Secretary of Cultural Resources in their proposals made pursuant to subsection (a) of
 44 this section.

1 (b2) Historic Properties. – The Trustees may authorize expenditure of up to
2 twenty-five percent (25%) of the funds credited to the Fund pursuant to G.S. 105-228.30
3 during the preceding fiscal year to acquire land under subdivision (3) of subsection (b)
4 of this section. No other funds in the Fund may be used for expenditures to acquire land
5 under subdivision (3) of subsection (b) of this section.

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

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

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

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

43 (e) Reports. – The Secretary shall maintain and revise twice each year a list of
44 acquisitions made pursuant to this Article. The list shall include the acreage of each

1 tract, the county in which the tract is located, the amount paid from the Fund to acquire
2 the tract, and the State department or division responsible for managing the tract. The
3 Secretary shall furnish a copy of the list to each Trustee, the Joint Legislative
4 Commission on Governmental Operations, the House and Senate Appropriations
5 Subcommittees on Natural and Economic Resources, the Fiscal Research Division, and
6 the Environmental Review Commission within 30 days after each revision.

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

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