

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003**

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**SENATE DRS85277-LCx-197 (4/22)**

Short Title: Finance Parks and Heritage. (Public)

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Sponsors: Senator Kerr.

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Referred to:

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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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 39 (1) The value of the land for recreation, forestry, fish and wildlife habitat,  
40 and wilderness purposes, and its consistency with the plan developed  
41 pursuant to the State Parks Act, the State's comprehensive plan for  
42 outdoor recreation, parks, natural areas development, and wildlife  
43 management goals and objectives.
- 44 (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.