

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH30256-LE-194A\* (3/13)

Short Title: Modify Laws Re: Real Property Commission. (Public)

Sponsors: Representative Goforth.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A REAL PROPERTY COMMISSION WITH THE RESPONSIBILITY TO IDENTIFY UNDERUTILIZED, SELDOM USED, OR UNUSED STATE PROPERTY, IDENTIFY PROPERTIES THAT ARE NOT COST-EFFICIENT BASED ON THEIR CURRENT USE, AND OVERSEE THE OPERATION OF THE STATE PROPERTY SURPLUS PROPERTY DISPOSAL SYSTEM.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 78 of Chapter 143 of the General Statutes is repealed.

**SECTION 2.** Chapter 143 of the General Statutes is amended by adding a new Article to read:

"Article 78A.

"State Real Property Commission.

**"§ 143-738. Purpose and establishment of State Real Property Commission.**

There is created the State Real Property Commission. The Commission shall be located administratively within the Department of Administration but shall carry out its statutory powers and duties independently of the Department of Administration.

The Commission shall continually evaluate the use of the State's real property holdings, oversee the database that catalogues the State's real property holdings, and examine the use, transfer, and disposition of the State's real property holdings, thus ensuring State real property is fully utilized.

**"§ 143-739. Commission membership, officers, compensation.**

(a) Commission Membership. – The Commission shall consist of nine members qualified and appointed as follows:

(1) Three members appointed by the Governor, including one representative of a Cabinet agency; one licensed real estate appraiser

1           whose primary practice is to appraise commercial property; and one  
2           public member experienced in environmental protection;

3           (2) Three members appointed by the General Assembly upon the  
4           recommendation of the Speaker of the House of Representatives in  
5           accordance with G.S. 120-121, including one representative of a  
6           Council of State agency; one representative of local government  
7           chosen from two persons nominated by the North Carolina Association  
8           of County Commissioners and two persons nominated by the North  
9           Carolina League of Municipalities; and one public member who is a  
10           real estate developer; and

11           (3) Three members appointed by the General Assembly upon the  
12           recommendation of the President Pro Tempore of the Senate in  
13           accordance with G.S. 120-121, including one public member who is a  
14           licensed real estate broker or seller whose primary practice is in  
15           locating or selling commercial land; one chosen from among not more  
16           than three persons nominated by the Board of Governors of The  
17           University of North Carolina who is a university employee currently  
18           involved in the oversight of real property; and one public member who  
19           demonstrates special interest, experience, or education in the  
20           preservation of historic properties.

21 No member of the Commission may be a member of the Senate or of the House of  
22 Representatives. No member, immediate family member of a member, or business  
23 associate of a member shall be involved in or benefit from any sale of State-owned  
24 property under this Article.

25           (b) Terms. – The members shall be appointed for staggered three-year terms. The  
26 initial appointments to the Commission shall be made within 15 days of the effective  
27 date of this act. The terms of one of the initial members appointed pursuant to  
28 subdivision (a)(1) of this section, one of the initial members appointed pursuant to  
29 subdivision (a)(2) of this section, and one of the initial members appointed pursuant to  
30 subdivision (a)(3) of this section shall be for one year. The terms of one of the initial  
31 members appointed pursuant to subdivision (a)(1) of this section, one of the initial  
32 members appointed pursuant to subdivision (a)(2) of this section, and one of the initial  
33 members appointed pursuant to subdivision (a)(3) of this section shall be for two years.  
34 The terms of the remainder of the initial members shall be for three years. Members  
35 may serve no more than six consecutive years.

36           (c) Removal; Vacancies. – A member of the Commission may be removed with  
37 or without cause by the appointing body. In addition, a majority of the Commission  
38 members may, by majority vote, remove a member of the Commission if that member  
39 does not attend at least three-quarters of the regularly scheduled meetings of the  
40 Commission during any consecutive 12-month period of service of that member on the  
41 Commission, except that absences excused by the Commission due to serious medical  
42 or family circumstances shall not be considered. If the Commission votes to remove a  
43 member under this subsection, the vacancy shall be filled in the same manner as the  
44 original appointment. Appointments to fill vacancies shall be made for the remainder of

1 the unexpired term by the respective appointing authority. All members shall serve until  
2 their successors are appointed and qualified, unless removed from office.

3 (d) Officers. – The Secretary of the Department of Administration shall serve as  
4 ex officio chairman of the Commission as a nonvoting member of the Commission.

5 (e) Compensation. – Members of the Commission who are not State officers or  
6 employees shall receive per diem of one hundred dollars (\$100.00) a day when the  
7 Commission meets and shall be reimbursed for travel and subsistence as provided in  
8 G.S. 138-5. Members who are State officers or employees shall be reimbursed for travel  
9 and subsistence as provided in G.S. 138-6.

10 **"§ 143-740. Duties and functions.**

11 (a) The State Real Property Commission shall:

12 (1) Oversee the operation of the State Property Surplus Property Disposal  
13 System and make recommendations for maintaining and operating the  
14 system;

15 (2) Continuously study and recommend ways to improve the effectiveness  
16 and efficiency of identifying, disposing, and managing the State's real  
17 property;

18 (3) Consult with State agencies, real estate salespersons and brokers, real  
19 estate appraisers, and other knowledgeable persons in determining its  
20 recommendations;

21 (4) Evaluate the functional use of State property and classify property into  
22 one of the five following classifications:

23 a. Property that is critical to the mission of a State agency.

24 b. Property that is not cost-efficient based on current use.

25 c. Property that is underutilized.

26 d. Property that is seldom used.

27 e. Property that has no current use or future use.

28 (5) Receive comments from the agency to which property is allocated  
29 before making a determination or recommendation regarding the  
30 property;

31 (6) Determine that property is both surplus and suitable for sale on the  
32 private market only if it is free from deed restriction and  
33 environmental problems limiting its use;

34 (7) Recommend the sale and leaseback of the property or the transfer of  
35 property to another State agency;

36 (8) Appoint an advisory board, if the Commission deems it necessary, to  
37 assist the Commission in its work. No one other than the Commission  
38 may appoint an advisory board to assist or advise the Commission in  
39 its work;

40 (9) Establish subcommittees for the purpose of making special studies  
41 pursuant to its duties and appoint non-Commission members to serve  
42 on each subcommittee as resource persons, if the Commission deems it  
43 necessary. Subcommittee resource persons shall be voting members of

1                   the subcommittee and shall receive subsistence and travel expenses in  
2                   accordance with G.S. 138-5 and G.S. 138-6; and

3                   (10) Perform the duties under this Article.

4                   "**§ 143-741. Staffing and meeting requirements.**

5                   (a) The State Property Office of the Department of Administration shall provide  
6 staff to the State Real Property Commission. The Commission shall provide direction to  
7 the State Property Office on its work for the Commission.

8                   (b) The Commission shall meet at least once a quarter and may meet at other  
9 times upon the call of the chair or upon call of at least five members. A majority of the  
10 members of the Commission shall constitute a quorum for the transaction of business.  
11 The affirmative vote of a majority of the members present at meetings of the  
12 Commission shall be necessary for action to be taken by the Commission.

13                   "**§ 143-742. Reporting requirements.**

14                   Reporting – The Commission shall report on its activities by February 1 of each year  
15 to the Governor and the Joint Legislative Commission on Governmental Operations.

16                   "**§ 143-743. Rule-making authority.**

17                   The Commission shall adopt rules for the administration of this Article, including  
18 rules regarding the participation of real estate salespersons and real estate brokers and  
19 rules that further define the classification of State real property."

20                   **SECTION 3.** There is appropriated from the General Fund to the  
21 Department of Administration the sum of one hundred thirty-seven thousand five  
22 hundred dollars (\$137,500) for the 2007-2008 fiscal year and the sum of one hundred  
23 thirty thousand dollars (\$130,000) for the 2008-2009 fiscal year. Of these funds, the  
24 sum of twenty thousand dollars (\$20,000) shall be used each year for the operation of  
25 the Commission; the remainder shall be used for the creation of two Real Property  
26 Agent II positions dedicated to the identification and disposition of State land.

27                   **SECTION 4.** This act becomes effective July 1, 2007.