

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1166*

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

Sponsors: Senators Dorsett; Atwater, Cowell, Hoyle, Malone, Pittenger, and Purcell.

Referred to: Commerce, Small Business and Entrepreneurship.

March 22, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A REAL PROPERTY COMMISSION WITH THE
3 RESPONSIBILITY TO IDENTIFY UNDERUTILIZED, SELDOM USED, OR
4 UNUSED STATE PROPERTY, IDENTIFY PROPERTIES THAT ARE NOT
5 COST-EFFICIENT BASED ON THEIR CURRENT USE, AND OVERSEE THE
6 OPERATION OF THE STATE PROPERTY SURPLUS PROPERTY DISPOSAL
7 SYSTEM.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** Article 78 of Chapter 143 of the General Statutes is repealed.

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

"Article 78A.

"State Real Property Commission.

12 "§ 143-738. Purpose and establishment of State Real Property Commission.

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

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

20 "§ 143-739. Commission membership, officers, compensation.

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

23 (1) Three members appointed by the Governor, including one
24 representative of a Cabinet agency; one licensed real estate appraiser
25 whose primary practice is to appraise commercial property; and one
26 public member experienced in environmental protection;
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- 1 (2) Three members appointed by the General Assembly upon the
2 recommendation of the Speaker of the House of Representatives in
3 accordance with G.S. 120-121, including one representative of a
4 Council of State agency; one representative of local government
5 chosen from two persons nominated by the North Carolina Association
6 of County Commissioners and two persons nominated by the North
7 Carolina League of Municipalities; and one public member who is a
8 real estate developer; and
- 9 (3) Three members appointed by the General Assembly upon the
10 recommendation of the President Pro Tempore of the Senate in
11 accordance with G.S. 120-121, including one public member who is a
12 licensed real estate broker or seller whose primary practice is in
13 locating or selling commercial land; one chosen from among not more
14 than three persons nominated by the Board of Governors of The
15 University of North Carolina who is a university employee currently
16 involved in the oversight of real property; and one public member who
17 demonstrates special interest, experience, or education in the
18 preservation of historic properties.

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

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

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

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

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

8 **"§ 143-740. Duties and functions.**

9 (a) The State Real Property Commission shall:

- 10 (1) Oversee the operation of the State Property Surplus Property Disposal
11 System and make recommendations for maintaining and operating the
12 system;
- 13 (2) Continuously study and recommend ways to improve the effectiveness
14 and efficiency of identifying, disposing, and managing the State's real
15 property;
- 16 (3) Consult with State agencies, real estate salespersons and brokers, real
17 estate appraisers, and other knowledgeable persons in determining its
18 recommendations;
- 19 (4) Evaluate the functional use of State property and classify property into
20 one of the five following classifications:
21 a. Property that is critical to the mission of a State agency.
22 b. Property that is not cost-efficient based on current use.
23 c. Property that is underutilized.
24 d. Property that is seldom used.
25 e. Property that has no current use or future use.
- 26 (5) Receive comments from the agency to which property is allocated
27 before making a determination or recommendation regarding the
28 property;
- 29 (6) Determine that property is both surplus and suitable for sale on the
30 private market only if it is free from deed restriction and
31 environmental problems limiting its use;
- 32 (7) Recommend the sale and leaseback of the property or the transfer of
33 property to another State agency;
- 34 (8) Appoint an advisory board, if the Commission deems it necessary, to
35 assist the Commission in its work. No one other than the Commission
36 may appoint an advisory board to assist or advise the Commission in
37 its work;
- 38 (9) Establish subcommittees for the purpose of making special studies
39 pursuant to its duties and appoint non-Commission members to serve
40 on each subcommittee as resource persons, if the Commission deems it
41 necessary. Subcommittee resource persons shall be voting members of
42 the subcommittee and shall receive subsistence and travel expenses in
43 accordance with G.S. 138-5 and G.S. 138-6; and
- 44 (10) Perform the duties under this Article.

1 **"§ 143-741. Staffing and meeting requirements.**

2 (a) The State Property Office of the Department of Administration shall provide
3 staff to the State Real Property Commission. The Commission shall provide direction to
4 the State Property Office on its work for the Commission.

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

10 **"§ 143-742. Reporting requirements.**

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

13 **"§ 143-743. Rule-making authority.**

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

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

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