

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1723

Short Title: Alt. Method/Disposal of State Surplus R.P. (Public)

Sponsors: Representatives Crawford; Church and McMahan.

Referred to: Appropriations.

May 12, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE COMMISSION ON STATE PROPERTY TO
3 DISPOSE OF SURPLUS STATE-OWNED REAL PROPERTY, TO MAKE
4 CONFORMING CHANGES TO STATUTES RELATED TO THE DISPOSAL OF
5 STATE-OWNED LAND, AND TO APPROPRIATE FUNDS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Article 78 of Chapter 143, G.S. 143-735 through
8 G.S. 143-737, is recodified as Article 19 of Chapter 146, G.S. 146-85 through
9 G.S. 146-87.

10 **SECTION 2.** Article 19 of Chapter 146, as recodified in Section 1 of this
11 act, reads as rewritten:

"Article 19.

"Commission on State Property.

12 **"§ 146-85. Definitions.**

13 As used in this Article, the following terms shall apply:

- 14 (1) "Commission" means the Commission on State Property created under
15 this Article.
16 (2) "Department" means the Department of Administration.
17 (3) "State-owned real property" includes State lands as that term is defined
18 in G.S. 146-64(3) and also includes all improvements and fixtures.
19 (4) "Surplus State-owned real property" means State-owned land and
20 buildings that are unused or underused.

21 **"§ 146-86. Commission established; purpose; membership.**

22 (a) There is created the Commission on State Property. The Commission shall be
23 located administratively within the Department of Administration but shall carry out its
24 statutory powers and duties independently of the Department of Administration.

25 (a1) The purpose of the Commission is to identify and dispose of ~~State-owned~~
26 ~~surplus State-owned~~ real property that is ~~(i) both surplus and~~ suitable for sale on the
27 private market or ~~(ii) suitable for sale and leaseback and to make recommendations~~

1 ~~concerning the disposition of the property market.~~ The Commission shall consult with
2 real estate salespersons and salespersons, real estate brokers, real estate appraisers, and
3 other knowledgeable persons in determining its recommendations.

4 (b) The Commission shall consist of 16 members appointed as follows:

5 (1) Eight members shall be appointed by the General Assembly upon the
6 recommendation of the Speaker of the House of Representatives,
7 including one of whom shall be designated as cochair.

8 (2) Eight members appointed by the General Assembly upon the
9 recommendation of the President Pro Tempore of the Senate, including
10 one member who shall be designated as cochair.

11 The members appointed to the Commission shall be chosen from among individuals
12 who have the ability and commitment to promote and fulfill the purposes of the
13 Commission, including individuals who have expertise in the fields of real estate,
14 property development, and other related fields. The appointing authorities shall each
15 consider appointing at least one real estate salesperson or broker and one real estate
16 appraiser to the Commission.

17 No member of the Commission may be a member of the Senate or of the House of
18 Representatives. No member or a person of the member's immediate family or business
19 with which the member is associated shall be involved in or benefit from any sale of
20 State-owned property under this Article.

21 (c) The terms of four of the initial members appointed pursuant to subdivision
22 (b)(1) of this section and four of the initial members appointed pursuant to subdivision
23 (b)(2) of this section shall be for one year. The terms of the remainder of the initial
24 members shall be for two years. Subsequent terms of all members shall be for two
25 years.

26 Initial terms shall commence on August 15, 2004.

27 (d) The Commission shall meet at least once a quarter and may meet at other
28 times upon the call of the cochairs. A majority of the members of the Commission shall
29 constitute a quorum for the transaction of business. The affirmative vote of a majority of
30 the members present at meetings of the Commission shall be necessary for action to be
31 taken by the Commission.

32 (e) The Commission cochairs may establish subcommittees for the purpose of
33 making special studies pursuant to its duties and may appoint non-Commission
34 members to serve on each subcommittee as resource persons. Resource persons shall be
35 voting members of the subcommittee and shall receive subsistence and travel expenses
36 in accordance with G.S. 138-5 and G.S. 138-6.

37 (f) The Commission shall hire its professional and clerical staff.

38 ~~(g) The Commission shall adopt rules for the administration of this Article,~~
39 ~~including rules regarding the participation of real estate salespersons and real estate~~
40 ~~brokers.~~

41 "**§ 146-87. Duties Powers and duties of the Commission.**

42 (a) The Commission on State Property ~~shall~~ shall have the authority to:

43 (1) Adopt rules for the administration of this Article, including rules
44 regarding the participation of real estate salespersons and real estate

1 brokers as well as issues related to dual agency and buyer's agents, a
2 process for determining when State-owned real property is surplus, a
3 process for submitting proposals to the Department of Administration
4 as required in G.S. 146-88(a), and a mechanism for consulting with the
5 State agencies regarding properties that have been identified as surplus
6 and suitable for sale.

7 (2) Enter into contracts for services that are necessary to implement its
8 responsibility for disposing of surplus State-owned real property. The
9 services may include appraisals, building inspections, environmental
10 assessments, property surveying, and listing contracts.

11 ~~(1)(3)~~ Adopt guidelines to ensure the participation of real estate salespersons
12 and real estate brokers in its work and to encourage real estate
13 salespersons and real estate brokers to examine the State's real
14 property inventory to ascertain which and to provide information to the
15 Commission regarding which properties are either surplus may
16 constitute surplus State-owned real property and are that is suitable for
17 sale or are suitable for sale and leaseback sale.

18 ~~(2)(4)~~ Notify each North Carolina licensed real estate salesperson and real
19 estate broker in the State that the Commission will consider
20 recommendations from real estate salespersons and brokers on State
21 surplus State-owned real property that is suitable for sale or sale and
22 leaseback sale.

23 ~~(3)(5)~~ Consider recommendations from real estate salespersons and brokers
24 and the general public. Notwithstanding any other provision of this
25 Article, no real estate salesperson or broker may recommend more
26 than five properties.

27 ~~(4)(6)~~ Develop and make recommendations to the Department of
28 Administration, the Governor, and the Joint Legislative Commission
29 on Governmental Operations on State surplus State-owned real
30 property that is (i) both surplus and suitable for sale or (ii) suitable for
31 sale and leaseback and report its recommendations to the Department
32 of Administration, the Governor, and the Joint Legislative
33 Commission on Governmental Operations sale.

34 (b) All State agencies shall provide any and all information requested by the
35 Commission that is related to the actual or potential use of the real property by the
36 agency in order that the Commission has accurate, complete, and timely information
37 with which to develop the recommendations authorized under this subdivision.

38 **"§ 146-88. Recommendations to Department; disposition of property.**

39 (a) Within three business days following the first meeting during which the
40 Commission considers a specific proposal for certain identified State-owned real
41 property, the Commission shall notify the Department of Administration regarding the
42 proposal. The Department of Administration shall determine whether, as of the date of
43 the Commission's first meeting regarding that property, the Department had already
44 been engaged in disposing of the same property. If the Department determines that it is

1 already engaged in disposing of the same property that is the subject of the
2 Commission's proposal, the Department shall inform the Commission within three days
3 of receipt of the Commission's notification, and the Commission shall not pursue the
4 transaction. If the Department is not already engaged in disposing of the same property
5 that is the subject of the Commission's proposal, the Department shall consider the
6 recommendations of the Commission on State Property Commission's proposal and
7 shall provide an advisory respond to them response to the Commission within 6015
8 days of after receiving them, the proposal. In its advisory response, the Department shall
9 either concur with the recommendations recommendation, or set out the reasons it does
10 not concur with them, the recommendation.

11 As used in this subsection, the phrase "already engaged in disposing of the same
12 property" means that the Department of Administration has actively undertaken a
13 review of the specific State property that is the subject of the Commission's proposal
14 and has contacted or begun negotiations with the State agency to which the property is
15 allocated.

16 (b) If the Department concurs that the property shall be sold or sold and leased
17 back, the process for proceeding with the sale or sale and leaseback shall be the same as
18 for other sales of State property

19 (c) If the Department does not concur, the After receipt and consideration of the
20 Department's response under subsection (a) of this section, the Commission shall
21 determine whether to proceed with the transaction. If the Commission determines that
22 the transaction is in the best interest of the State, it shall recommend the sale of the
23 property or the sale and leaseback of the property to the Governor and the Council of
24 State. If the Governor and the Council of State approve the sale, the Department of
25 Administration Commission shall complete the transaction. If the proposed disposition
26 is a sale of State-owned real property with an appraised value of at least twenty-five
27 thousand dollars (\$25,000), the sale shall not be made until after the Commission
28 consults with the Joint Legislative Commission on Governmental Operations.

29 (d) In the instance of a proposed If the Commission undertakes to sale or salesell
30 and leaseback that is undertaken pursuant to this section, the Department the property,
31 the Commission shall enter into an exclusive a contract with the real estate salesperson
32 or broker who recommended the sale or leaseback of the property sale of the property.
33 The contract shall specify that the real estate broker has been retained to obtain an offer
34 that is acceptable to the Department Commission to sell or sell and leaseback the
35 property. In the event the property was recommended by more than one real estate
36 salesperson or broker, the Commission shall allocate the marketing responsibilities of
37 the salespersons or brokers recommending the property and determine the allocation of
38 the brokerage fees.

39 (e) A contract with any real estate salesperson or broker under this Article shall
40 not exceed six months in duration and shall include the conditions for receipt of
41 brokerage fees set forth in G.S. 143-737 as provided in G.S. 146-89. After the
42 expiration of the exclusive contract, the property shall be sold or sold and leased back
43 in the same manner as other real property of the State according to the provisions of
44 Article 7 of this Chapter by the entity that initially undertook to dispose of the property.

1 (f) Notwithstanding any other provision of this Article, no real estate salesperson
2 or real estate broker may recommend more than five properties.

3 **"§ 146-89. Brokerage fees.**

4 Notwithstanding any other provision of ~~Chapter 146 of the General Statutes, this~~
5 ~~Chapter,~~ a real estate salesperson ~~or broker~~ responsible for making a recommendation
6 for the sale ~~or leaseback~~ of State property that has been ~~adopted by the Commission and~~
7 ~~recommended to the Department pursuant to G.S. 143-736~~ approved by the Council of
8 State shall be entitled to brokerage fees only if all of the following conditions are met:

- 9 (1) The real estate salesperson or broker is licensed by the North Carolina
10 Real Estate Commission.
11 (2) The transaction ~~eloses~~ closes pursuant to a written contract negotiated
12 by the real estate broker.
13 (3) The brokerage fees do not exceed those customary in the industry and
14 are consistent with rules adopted by the Commission.

15 **"§ 146-90. Distribution of proceeds.**

16 (a) The net proceeds from any disposition of real property made by the
17 Commission under this Article, or by the Department as the result of a recommendation
18 by the Commission under this Article, shall be made as follows:

- 19 (1) According to the provisions of any trust or other instrument of title
20 whereby title to such real property was heretofore acquired or is
21 hereafter acquired.
22 (2) As provided by any other act of the General Assembly.
23 (3) As provided in G.S. 146-30(d).
24 (4) The net proceeds shall be deposited with the State Treasurer.

25 (b) For the purposes of this Article, the term "net proceeds" means the gross
26 amount received from the sale of State-owned real property, less the following amounts:

- 27 (1) Five percent (5%) to be transferred to the State Surplus Real Property
28 Special Fund. If the Fund has a current fund balance of five hundred
29 thousand dollars (\$500,000), this subdivision shall not apply. A
30 smaller percentage of the net proceeds shall be transferred if the
31 transfer of the full amount authorized under this subdivision would
32 result in the Fund exceeding the authorized maximum fund balance.
33 (2) Any brokerage fee as provided in G.S. 146-89.
34 (3) Ten percent (10%) to be retained by the State agency as provided in
35 subsection (c) of this section, unless G.S. 146-30(d) applies. If
36 G.S. 146-30(d) applies to that State agency, this subdivision shall not
37 apply.

38 (c) Notwithstanding the other provisions of this section, no amounts shall be
39 deducted under subdivision (b)(1) of this section from the gross proceeds of any sale of
40 State-owned lands that are designated as part of any of the following:

- 41 (1) The Centennial Campus as defined by G.S. 116-198.33(4).
42 (2) The Horace Williams Campus as defined by G.S. 116-198.33(4a).
43 (3) A Millennial Campus as defined by G.S. 116-198.33(4b).

44 All net proceeds of those dispositions are governed by G.S. 116-36.5.

1 (d) Unless otherwise provided for in G.S. 146-30(d), an agency or department
2 that managed or controlled State-owned property that is sold under this Article shall
3 receive the proceeds from subdivision (b)(3) of this section. Upon an appropriation by
4 the General Assembly, the proceeds may be used only for:

5 (1) Improvements to other facilities controlled or operated by the agency
6 or department, including improvements made necessary because of
7 space displaced as a result of the sale.

8 (2) Facility repairs and renovations.

9 (3) Information technology and equipment for that department or agency.

10 **"§ 146-91. Creation of Surplus State-Owned Real Property Special Fund.**

11 There is created the Surplus State-Owned Real Property Special Fund located in the
12 Office of the State Treasurer. The Fund balance shall not revert but at no time shall the
13 Fund balance exceed three hundred thousand dollars (\$300,000). The Commission shall
14 use moneys in the Fund for its operations, including expenses incurred as a result of the
15 sale of surplus State-owned real property under this Article.

16 **"§ 146-92. Reporting.**

17 The Commission shall report quarterly to the Joint Legislative Commission on
18 Governmental Operations on its activities, including an accounting of all property sales,
19 uses of the funds deposited into the Surplus State-Owned Real Property Special Fund,
20 and the status of the Fund."

21 **SECTION 3.** G.S. 146-2 reads as rewritten:

22 **"§ 146-2. Department of Administration given control of certain State lands;**
23 **disposition of those lands by the Department or the Commission on State**
24 **Property; general powers.**

25 (a) The power to manage, control, and dispose of the vacant and unappropriated
26 lands, swamplands, lands acquired by the State by virtue of being sold for taxes, and
27 submerged lands is hereby vested in the Department of Administration, subject to rules
28 and regulations adopted by the Governor and approved by the Council of State, and
29 subject to the provisions of this Subchapter. Notwithstanding the preceding sentence,
30 the Commission on State Property shall have the authority to dispose of property under
31 this Subchapter as provided in Article 19 of this Chapter.

32 (b) The Department of Administration shall have the following general powers
33 and duties with respect to those lands:

34 (1) To take such measures as it deems necessary to establish, protect,
35 preserve, and enhance the interest of the State in those lands, and to
36 call upon the Attorney General for legal assistance in performing this
37 duty.

38 (2) Subject to the approval of the Governor and Council of State, to adopt
39 such rules and regulations at it may deem necessary to carry out its
40 duties under the provisions of this Subchapter."

41 **SECTION 4.** G.S. 146-4 reads as rewritten:

42 **"§ 146-4. Sales of certain lands; procedure; deeds; disposition of proceeds.**

43 The Department of Administration or the Commission on State Property may sell the
44 vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue

1 of being sold for taxes, at public or private sale, at such times, upon such consideration,
2 in such portions, and upon such terms as are deemed proper by the Department or the
3 Commission and approved by the Governor and Council of State. Every deed conveying
4 any part of those lands in fee shall be executed in the manner required by G.S. 146-74
5 through 146-78, and shall be approved by the Governor and Council of State as therein
6 required. The net proceeds of all ~~such~~ sales by the Department of those lands shall be
7 paid into the State Literary Fund. Whenever negotiations are begun by the Department
8 for the purpose of selling swampland or the timber thereon, the Department shall
9 promptly notify the State Board of Education of that fact. If the Board deems the
10 proposed sale inadvisable, it may so inform the Governor and Council of State, who
11 may give due consideration to the representations of the Board in determining whether
12 to approve or disapprove the proposed transaction. The net proceeds of all sales by the
13 Commission shall be distributed as provided in G.S. 146-90."

14 **SECTION 5.** G.S. 146-15 reads as rewritten:

15 **"§ 146-15. Definition of net proceeds.**

16 (a) For the purposes of this Subchapter, and unless the sale was undertaken by
17 the Commission on State Property, the term "net proceeds" means the gross amount
18 received from the sale, lease, rental, or other disposition of any State lands, less

- 19 (1) Such expenses incurred incident to that sale, lease, rental, or other
20 disposition as may be allowed under rules and regulations adopted by
21 the Governor and approved by the Council of State; and
22 (2) Repealed by Session Laws 1993, c. 553, s. 52.
23 (3) A service charge to be paid into the State Land Fund.

24 The amount or rate of such service charge shall be fixed by rules and regulations
25 adopted by the Governor and approved by the Council of State, but as to any particular
26 sale, lease, rental, or other disposition, it shall not exceed ten percent (10%) of the gross
27 amount received from such sale, lease, rental, or other disposition. Notwithstanding any
28 other provision of this Subchapter, no service charge shall be paid into the State Land
29 Fund from proceeds derived from the sale of land or products of land owned or held for
30 the use of the Wildlife Resources Commission, or purchased or acquired with funds of
31 the Wildlife Resources Commission."

32 **SECTION 6.** G.S. 146-27 reads as written:

33 **"§ 146-27. The role of the Department of Administration and Commission on State**
34 **Property in sales, leases, and rentals.**

35 (a) ~~General.—Every~~ Except as provided in Article 19 of this Chapter, every sale,
36 lease, rental, or gift of land owned by the State or by any State agency shall be made by
37 the Department of Administration and approved by the Governor and Council of State.
38 A lease or rental of land owned by the State may not exceed a period of 99 years. The
39 Department of Administration may initiate proceedings for sales, leases, rentals, and
40 gifts of land owned by the State or by any State agency.

41 (b) ~~Large Disposition.—~~ If a proposed disposition is a sale or gift of land with an
42 appraised value of at least twenty-five thousand dollars (\$25,000), the sale or gift shall
43 not be made until after consultation with the Joint Legislative Commission on

1 ~~Governmental Operations.~~ Operations regardless of whether the transaction will be
2 undertaken by the Administration or the Commission on State Property."

3 **SECTION 7.** G.S. 146-28 reads as rewritten:

4 "**§ 146-28. Agency must file application with ~~Department;~~ Department or**
5 **Commission; Department or Commission must investigate.**

6 (a) Any State agency desiring to sell, lease, or rent any land owned by the State
7 or by any State agency shall file with the Department of Administration or the
8 Commission on State Property an application setting forth the facts relating to the
9 proposed transaction, and shall furnish the Department or the Commission with ~~such~~
10 any additional information as the Department or the Commission may request relating
11 thereto; request regarding the application. Nothing in this section shall be construed to
12 expand the authority of the Commission provided in Article 19 of this Chapter.

13 (b) Upon receipt of ~~such the~~ application, ~~the Department of Administration~~ both
14 the Department and the Commission shall proceed as follows:

15 (1) The entity that received the application shall promptly notify in writing
16 the other entity of the application.

17 (2) The entity receiving the written notification shall review its current
18 files to determine whether it has already undertaken to investigate
19 whether the property that is the subject of the application is surplus
20 State-owned real property.

21 (3) If the entity that receives the written notification determines that it has
22 already undertaken the work described in subdivision (2) of this
23 subsection, it shall promptly inform the entity that sent the written
24 notice.

25 (4) The entity that receives the information under subdivision (3) of this
26 subsection shall direct the agency that submitted the application that
27 the application to forward the application to the entity that has already
28 undertaken the work.

29 (c) Subject to the requirements of subsection (b) of this section, the entity that
30 receives the application shall promptly investigate all aspects of the proposed
31 transaction, including particularly present and future State need for the land proposed to
32 be conveyed, leased, or rented."

33 **SECTION 8.** G.S. 146-29 reads as rewritten:

34 "**§ 146-29. Procedure for sale, lease, or rental.**

35 (a) If, after investigation, the Department of Administration determines that it is
36 in the best interest of the State that land be sold, leased, or rented, the Department shall
37 proceed with its sale, lease, or rental, as the case may be, in accordance with rules
38 adopted by the Governor and approved by the Council of State. The Department shall
39 adopt rules for notifying the Commission on State Property when the Department is
40 investigating the sale of State land.

41 (b) If the Commission determines that the State-owned real property is surplus
42 and suitable for sale, the Commission shall proceed as provided in Article 19 of this
43 Chapter.

1 (c) If an agreement of sale, lease, or rental is reached, the proposed transaction
2 shall then be submitted to the Governor and Council of State for their approval or
3 disapproval. Every conveyance in fee of land owned by the State or by any State agency
4 shall be made and executed in the manner prescribed in G.S. 146-74 through 146-78."

5 **SECTION 9.** G.S. 146-30 reads as rewritten:

6 **"§ 146-30. Application of net proceeds.**

7 (a) The net proceeds of any disposition made ~~in accordance with~~ under this
8 Subchapter shall be handled ~~in accordance with~~ according to the following priority:

9 (1) ~~First, in~~ In accordance with the provisions of any trust or other
10 instrument of title whereby title to such real property was heretofore
11 acquired or is hereafter ~~acquired; second, acquired.~~

12 (2) ~~as~~ As provided by any other act of the General ~~Assembly; third,~~
13 Assembly.

14 (3) ~~the~~ The net proceeds shall be deposited with the State Treasurer.

15 (a1) ~~Provided, however, nothing herein~~ Subsection (a) of this section shall be
16 construed as prohibiting the disposition of any State lands by exchange for other ~~lands,~~
17 ~~but if~~ lands. If the appraised value in fee simple of any property involved in the
18 exchange is at least twenty-five thousand dollars (\$25,000), then ~~such~~ the exchange may
19 not be made without consultation with the Joint Legislative Commission on
20 Governmental Operations.

21 (b) For the purposes of this Subchapter, the term "net proceeds" means the gross
22 amount received from the sale, lease, rental, or other disposition of any State lands, less

23 (1) Such expenses incurred incident to that sale, lease, rental, or other
24 disposition as may be allowed under rules and regulations adopted by
25 the Governor and approved by the Council of State; and

26 (2) Repealed by Session Laws 1993, c. 553, s. 52.2.

27 (3) A service charge to be paid into the State Land Fund.

28 (b1) Notwithstanding the other provisions of this section, no service charge into
29 the State Land Fund shall be deducted from or levied against the proceeds of any
30 disposition by lease, rental, or easement of State lands that are designated as part ~~of~~ of
31 any of the following:

32 (1) ~~the~~ The Centennial Campus as defined by ~~G.S. 116-198.33(4),~~
33 G.S. 116-198.33(4).

34 (2) ~~that are designated as part of the~~ The Horace Williams Campus as
35 defined by ~~G.S. 116-198.33(4a),~~ G.S. 116-198.33(4a).

36 (3) ~~or that are designated as part of a~~ A Millennial Campus as defined by
37 G.S. 116-198.33(4b).

38 All net proceeds of those dispositions are governed by G.S. 116-36.5.

39 (c) The amount or rate of ~~such~~ service charge under subdivision (b)(3) of this
40 section shall be fixed by rules and regulations adopted by the Governor and approved by
41 the Council of State, but as to any particular sale, lease, rental, or other disposition, it
42 shall not exceed ten percent (10%) of the gross amount received from such sale, lease,
43 rental, or other disposition.

1 (d) Notwithstanding any other provision of this Subchapter, the net proceeds
2 derived from any of the following transactions shall be distributed as follows:

3 (1) ~~the~~The sale of land or products of land owned by or under the
4 supervision and control of the Wildlife Resources Commission, or
5 acquired or purchased with funds of that Commission, shall be paid
6 into the Wildlife Resources Fund.

7 (2) ~~Provided, however, the net proceeds derived from the~~The sale of land
8 or timber from land owned by or under the supervision and control of
9 the Department of Agriculture and Consumer Services shall be
10 deposited with the State Treasurer in a capital improvement account to
11 the credit of the Department of Agriculture and Consumer Services, to
12 be used for such specific capital improvement projects or other
13 purposes as are provided by transfer of funds from those accounts in
14 the Capital Improvement Appropriations Act.

15 (3) ~~Provided further, the net proceeds derived from the~~The sale of park
16 land owned by or under the supervision and control of the Department
17 of Environment and Natural Resources shall be deposited with the
18 State Treasurer in a capital improvement account to the credit of the
19 Department of Administration to be used for the purpose of park land
20 acquisition as provided by transfer of funds from those accounts in the
21 Capital Improvement Appropriations Act. In the Capital Improvement
22 Appropriations Act, line items for purchase of park and agricultural
23 lands will be established for use by the Departments of Administration
24 and Agriculture. The use of such funds for any specific capital
25 improvement project or land acquisition is subject to approval by the
26 Director of the Budget. No other use may be made of funds in these
27 line items without approval by the General Assembly except for
28 incidental expenses related to the project or land acquisition.
29 Additionally with the approval of the Director of the Budget, either
30 Department may request funds from the Contingency and Emergency
31 Fund when the necessity of prompt purchase of available land can be
32 demonstrated and funds in the capital improvement accounts are
33 insufficient.

34 (4) ~~Provided further, the net proceeds derived from the~~The sale of any
35 portion of the land in or around the unincorporated area known as
36 Butner on or after July 1, 1980, shall be deposited with the State
37 Treasurer in a capital improvement account to the credit of the
38 Hospital to provide water and sewers and to bring those streets in the
39 unincorporated area known as Butner not on the State highway system
40 up to standards adequate for acceptance on the system, according to a
41 plan adopted by the Department of Administration, and the Office of
42 State Budget and Management, with the approval of the Board of
43 County Commissioners of Granville County, to build industrial access
44 roads to industries on the Butner lands, to construct new city streets on

1 the Butner lands, extend water and sewer service on the Butner lands,
2 and repair storm drains on the Butner lands."

3 **SECTION 10.** Section 6.4(b) of S.L. 2004-124 reads as rewritten:

4 **"SECTION 6.4.(b)** Of the funds appropriated to the Department of Administration
5 for the 2004-2005 fiscal year, the Director of the Budget shall transfer two hundred
6 thousand dollars (\$200,000) to the Commission on State Property established in
7 subsection (a) of this section. Any funds not expended by June 30, 2005, shall not
8 revert and shall be transferred to the Surplus State-Owned Real Property Special Fund
9 created under G.S. 146-91. Notwithstanding the provisions of G.S. 146-30, ~~the first two~~
10 hundred up to three hundred thousand dollars ~~(\$200,000)~~(\$300,000) of the net proceeds
11 of dispositions of property by the Department of Administration that would otherwise
12 be deposited with the State Treasurer and credited to the General Fund shall be used to
13 offset the transfer of funds from the Department of Administration to the Commission
14 on State Property deposited into the Surplus State-Owned Real Property Special Fund.
15 The amount transferred shall be the amount necessary to bring the Fund up to the
16 maximum allowable fund balance as provided in G.S. 146-91, less any amounts that did
17 not revert and were transferred into the Fund as provided in this subsection."

18 **SECTION 11.** Section 6.8(a) of S.L. 2003-284 is repealed.

19 **SECTION 12.** There is appropriated from the Surplus State-Owned Real
20 Property Special Fund to the Commission on State Property in the Department of
21 Administration the sum of three hundred thousand dollars (\$300,000) for the 2005-2006
22 fiscal year.

23 **SECTION 13.** Section 12 becomes effective July 1, 2005. The remainder of
24 this act is effective when it becomes law. Nothing in this act shall be construed to
25 modify the terms of office of the members serving on the Commission on State Property
26 at the time this section becomes law. The Commission shall have 210 days from the
27 enactment of this section to adopt temporary rules to implement this act.