

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023**

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**HOUSE BILL 168
Committee Substitute Favorable 3/23/23**

Short Title: DNCR Agency Bill.-AB

(Public)

Sponsors:

Referred to:

February 23, 2023

A BILL TO BE ENTITLED
AN ACT TO MAKE VARIOUS CHANGES TO THE STATUTES GOVERNING THE
DEPARTMENT OF NATURAL AND CULTURAL RESOURCES, AS RECOMMENDED
BY THE DEPARTMENT.

The General Assembly of North Carolina enacts:

NORTH CAROLINA MUSEUM OF ART BOARD OF TRUSTEES

SECTION 1. G.S. 140-5.13(b) reads as rewritten:

"(b) The Board of Trustees of the North Carolina Museum of Art shall consist of 25-26 members, chosen as follows:

- (1) The Governor shall appoint 13-14 members, one from each congressional district in the State in accordance with G.S. 147-12(3b);
- (2) Repealed by Session Laws 2012-120, s. 1(e), effective October 1, 2012.
- (3) The North Carolina Museum of Art Foundation, Incorporated, shall elect four members;
- (4) The Board of Trustees of the North Carolina Museum of Art shall elect four members;
- (5) The General Assembly shall appoint four members, two upon the recommendation of the Speaker of the House of Representatives, and two upon the recommendation of the President Pro Tempore of the Senate in accordance with G.S. 120-121;
- (6) Repealed by Session Laws 1981 (Regular Session, 1982), c. 1191, s. 49.

All regular appointments or elections except those by the General Assembly shall be for terms of six years, except that each member shall serve until the member's successor is chosen and qualifies. No person may be appointed or elected to more than two consecutive terms of six years. All appointments by the General Assembly shall be for terms of four years, with no person being appointed to more than three consecutive terms."

CLARIFY SURPLUS PROPERTY PROCESS FOR MUSEUMS AND AQUARIUMS

SECTION 2.(a) G.S. 121-4 reads as rewritten:

"§ 121-4. Powers and duties of the Department of Natural and Cultural Resources.

The Department of Natural and Cultural Resources shall have the following powers and duties:

- ...
- (12) With the approval of the Historical Commission, Commission, and notwithstanding Article 3A of Chapter 143 of the General Statutes,



G.S. 143-49(4), or any other law pertaining to surplus State property, to dispose of any accessioned records, artifacts, ~~and furnishings~~ furnishings, and agricultural products in the custody of the Department that are determined to have no further use or value for official or administrative purposes or for research and reference purposes.

...."

SECTION 2.(b) G.S. 121-7 reads as rewritten:

"§ 121-7. Historical museums.

(a) The Department of Natural and Cultural Resources shall maintain and administer State historic sites and museums under the management of the Office of Archives and History for the collection, preservation, study, and exhibition of authentic artifacts and other historical materials relating to the history and heritage of North Carolina. The Department, with the approval of the Historical Commission, may acquire, either by purchase, gift, or loan such artifacts and materials, and, having acquired them, shall according to accepted museum practices classify, accession, preserve, and where feasible exhibit such materials and make them available for study. Within available funds, one or more branch museums of history or specialized regional history museums may be established and administered by the Department. The Department of Natural and Cultural Resources, subject to the availability of staff and funds, may give financial, technical, and professional assistance to nonstate historical museums sponsored by governmental agencies and nonprofit organizations according to regulations adopted by the North Carolina Historical Commission.

~~The Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the~~ Department of Natural and Cultural Resources may, with the explicit approval of the North Carolina Historical Commission sell, lease, donate, trade, or place on loan any artifact owned by the State of North Carolina and in the custody of and curated by the Office of Archives and History, unless the sale, lease, donation, trade, or loan would be contrary to the terms of acquisition. The net proceeds of any ~~sale, sale or lease,~~ sale, sale or lease, after deduction of the expenses attributable to that ~~sale, sale or lease,~~ shall be deposited in the Office of Archives and History Artifact Fund to the credit of the museum or archives that had custody of the artifact sold or leased and shall be used only for the expenses associated with the purchase, maintenance, or conservation of other artifacts. No artifact curated by any agency of the Department of Natural and Cultural Resources may be pledged or mortgaged.

...."

SECTION 2.(c) G.S. 121-7.1 reads as rewritten:

"§ 121-7.1. Maritime Museum; disposition of artifacts.

Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Department of Natural and Cultural Resources, with the approval of the North Carolina Historical Commission, may sell, lease, donate, trade, or place on permanent loan any artifact from the collection of the North Carolina Maritime Museum unless the sale, lease, donation, trade, or loan would be contrary to the terms of the acquisition. Sales or exchanges shall be conducted in accordance with generally accepted practices for accredited museums. If an artifact is ~~sold, sold or leased,~~ the net proceeds of the sale or lease shall be deposited in the State treasury to the credit of a special fund to be used for the improvement of the Museum's collections or exhibits."

SECTION 2.(d) G.S. 121-20 reads as rewritten:

"§ 121-20. Commission to receive and expend funds donated or made available for restoration of Tryon's Palace; Commission to acquire and sell artifacts for Tryon's Palace.

...

(b) The Tryon Palace Commission may solicit, accept, and hold artifacts and furnishings, and may acquire them by purchase or gift for the interpretive needs and development of Tryon

Palace Historic Sites and Gardens. ~~The Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the~~ Commission may dispose of by trade, sale, ~~lease, donation,~~ or transfer, in accordance with accepted museum practices, any accessioned or unaccessioned artifacts and furnishings in the custody of the Commission, or its appointed officers, that are determined to have no further value for official or administrative purposes or for research, reference, or interpretation. Any proceeds realized through the deaccession and sale or lease of artifacts and furnishings shall be placed in a collections fund administered by the Tryon Palace Commission. Monies received by the Commission, after deduction of the expenses attributable to that ~~sale, sale or lease,~~ shall be used for ~~the acquisition expenses associated with the purchase, maintenance, or conservation of~~ artifacts and furnishings necessary or desirable for research, reference, and interpretation at Tryon Palace Historic Sites and Gardens.

(c) Funds (i) received by the Commission from donations, devises, or grants of cash or securities or (ii) generated from the sale or lease of deaccessed or unaccessed artifacts and furnishings in accordance with subsection (b) of this section are hereby appropriated for the purposes set forth in this section or in the terms of the donation, devise, or grant and shall require no further act of the General Assembly in order to be expended by the Commission. These expenditures must follow the applicable procedures and requirements set forth in this section.

...."

SECTION 2.(e) G.S. 140-5.14 reads as rewritten:

"§ 140-5.14. Board of Trustees – powers and duties.

The Board of Trustees is the governing body of the North Carolina Museum of Art and has the following powers and duties:

...

- (8) After consultation with the Secretary of Natural and Cultural ~~Resources,~~ Resources and notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, to exchange works of art owned by the North Carolina Museum of Art for other works of art which, in the opinion of the Board, would improve the quality, value, or representative character of the art collection of the Museum;
- (9) After consultation with the Secretary of Natural and Cultural ~~Resources,~~ Resources and notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, to ~~sell~~ sell, lease, or donate any work of art owned by the North Carolina Museum of Art if the Board finds that it is in the best interest of the Museum to do so, unless such ~~sale~~ sale, lease, or donation would be contrary to the terms of acquisition. The net proceeds of each such ~~sale, sale or lease,~~ after deduction of the expenses attributable to that ~~sale, sale or lease,~~ shall be deposited in the State treasury to the credit of "The North Carolina Museum of Art Special Fund," and shall be used only for the purchase of other works of art. No work of art owned by the North Carolina Museum of Art may be pledged or mortgaged;

...."

SECTION 2.(f) G.S. 143B-79 reads as rewritten:

"§ 143B-79. Executive Mansion Fine Arts Committee – creation, powers and duties.

There is hereby created the Executive Mansion Fine Arts Committee. The Executive Mansion Fine Arts Committee shall have the following functions and duties:

...

- (7) ~~The Notwithstanding Article 3 of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the~~ Committee may dispose of property held in the Executive Mansion after

consultation with a review committee comprised of one person from the Executive Mansion Fine Arts Committee, appointed by its chairman; one person from the Department of Administration appointed by the Secretary of Administration; and two qualified professionals from the Department of Natural and Cultural Resources, Division of Archives and History, appointed by the Secretary of Natural and Cultural Resources. Upon request of the Executive Mansion Fine Arts Committee, the review committee shall view proposed items for disposition and shall make a recommendation to the North Carolina Historical Commission who shall make a final decision. The Historical Commission shall consider whether the disposition is in the best interest of the State of North Carolina. If any property is ~~sold~~, sold or leased, the net proceeds of each sale or lease and any interest earned thereon shall be deposited in the State Treasury to the credit of the Executive Mansion, Special Fund, and shall be used only for the purchase, conservation, restoration, or repair of other property for use in the Executive Mansion."

SECTION 2.(g) G.S. 143B-135.182 reads as rewritten:

"§ 143B-135.182. Division of North Carolina Aquariums – organization; powers and duties.

(a) The Division of North Carolina Aquariums shall be organized as prescribed by the Secretary of Natural and Cultural Resources and shall exercise the following powers and duties:

...

(3) Notwithstanding Article 3A of Chapter 143 of the General Statutes, ~~and~~ G.S. 143-49(4), or any other law pertaining to surplus State property, dispose of any exhibit, exhibit component, or object from the collections of the North Carolina Aquariums by sale, lease, donation, or trade. A sale, lease, donation, or trade under this subdivision shall be conducted in accordance with generally accepted practices for zoos and aquariums that are accredited by the American Association of Zoos and Aquariums. After deducting the expenses attributable to the sale or lease, the net proceeds of any sale or lease shall be credited to the North Carolina Aquariums Fund.

...."

SECTION 2.(h) G.S. 143B-135.223 reads as rewritten:

"§ 143B-135.223. Museum of Natural Sciences; disposition of objects.

Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Department of Natural and Cultural Resources may ~~sell or exchange~~ sell, lease, donate, or trade any object from the collection of the Museum of Natural Sciences when it would be in the best interest of the Museum to do so. ~~Sales or exchanges~~ Any sale, lease, donation, or trade under this section shall be conducted in accordance with generally accepted practices for accredited museums. If an object is ~~sold~~, sold or leased, the net proceeds of the sale or lease shall be deposited in the State treasury to the credit of a special fund to be used for the improvement of the Museum's collections or exhibits."

TIME LIMITATION ON CONFIDENTIALITY OF CERTAIN PUBLIC RECORDS

SECTION 3. G.S. 132-11 reads as rewritten:

"§ 132-11. Time limitation on confidentiality of records.

(a) Notwithstanding any other provision of law, all restrictions on access to public records shall expire 100 years after the creation of the record.

(b) Subsection (a) of this section shall apply to any public record in existence at the time of, or created after, August 18, 2015.

(c) No provision of this section shall be construed to authorize or require the opening of any record that meets any of the following criteria:

- 1 (1) Is ordered to be sealed by any state or federal court, except as provided by that
2 court.
- 3 (2) Is prohibited from being disclosed under federal law, rule, or regulation.
- 4 (3) Contains federal Social Security numbers.
- 5 (4) ~~Is a juvenile, probationer, parolee, post-releasee, or prison inmate record,~~
6 ~~including medical and mental health records.~~ confidential juvenile record
7 pursuant to Article 30 of Chapter 7B of the General Statutes.
- 8 (5) Contains detailed plans and drawings of public buildings and infrastructure
9 facilities.
- 10 (d) For purposes of this section, the custodian of the record shall be the Department of
11 Natural and Cultural Resources or other agency in actual possession of the record."
12

13 STATE PARKS REPORT CONSOLIDATION

14 **SECTION 4.(a)** Subdivision (3) of Section 2 of S.L. 2012-93 is repealed.

15 **SECTION 4.(b)** G.S. 143B-135.48(a) reads as rewritten:

- 16 "(a) The Secretary shall prepare and adopt a State Parks System Plan by December 31,
17 1988. The Plan, at a minimum, ~~shall~~ shall do all of the following:
- 18 (1) Outline a method whereby the mission and purposes of the State Parks System
19 as defined in G.S. 143B-135.42 can be achieved in a reasonable, timely, and
20 cost-effective ~~manner;~~ manner.
- 21 (2) Evaluate existing parks against these standards to determine their statewide
22 ~~significance;~~ significance.
- 23 (3) Identify duplications and deficiencies in the current State Parks System and
24 make recommendations for ~~correction;~~ correction.
- 25 (4) Describe the resources of the existing State Parks System and their current
26 uses, identify conflicts created by those uses, and propose solutions to ~~them;~~
27 ~~and them.~~
- 28 (5) Describe anticipated trends in usage of the State Parks System, detail what
29 impacts these trends may have on the State Parks System, and recommend
30 means and methods to accommodate those trends successfully.
- 31 (6) Validate the number of visitors per car used in the calculation of visitor counts
32 at units of the State Parks System."
33

34 CONFORMING CHANGE TO NATURE PRESERVES ACT

35 **SECTION 5.** G.S. 143B-135.272(a)(2) reads as rewritten:

- 36 "(2) ~~Any activity authorized under G.S. 143B-135.234(10), including an inventory~~
37 Inventories of natural areas conducted under the Natural Heritage Program,
38 conservation and protection planning, and informational programs for owners
39 of natural areas, as defined in G.S. 143B-135.254."
40

41 UMSTEAD ACT EXEMPTION FOR LODGING FACILITIES AT STATE PARKS

42 **SECTION 6.** G.S. 66-58(b)(9b) reads as rewritten:

- 43 "(9b) The Department of Natural and Cultural Resources for the sale of food
44 pursuant to G.S. 111-47.2 and the sale of books, crafts, gifts, and other
45 tourism-related items and revenues from public and private special events,
46 activities, and programming at State parks, State aquariums, historic sites and
47 museums administered by the Department, provided that the resulting profits
48 are used to support the operation of those sites. This exemption does not allow
49 the Department to construct, maintain, operate, or lease a hotel or tourist inn
50 in any site or facility over which it has jurisdiction, except ~~that the North~~
51 ~~Carolina Zoological Park may lease a portion of the Park on which a private~~

~~entity may construct and operate a hotel and related facilities for existing lodging facilities located at Haw River State Park, Hanging Rock State Park, and Pisgah View State Park and for a hotel and related facilities constructed and operated by a private entity on land leased from the North Carolina Zoological Park. Nothing in this subdivision is intended to exempt the Park from any other applicable laws pertaining to contracting or to leasing of State property. For purposes of this subdivision, a "hotel or tourist inn" does not include rentals of rustic cabins and recreational vehicle or tent sites in State parks."~~

CLARIFY ZOOLOGICAL PARK STATUTES

SECTION 7.(a) G.S. 143B-135.204(b) reads as rewritten:

"(b) Park Property. – The Secretary of the Department of Natural and Cultural Resources may acquire, dispose of, and develop Zoological Park property, both real and personal. A sale, lease, donation, or trade under this subsection must be conducted in accordance with generally accepted practices for zoos and aquariums that are accredited by the American Association of Zoos and Aquariums."

SECTION 7.(b) G.S. 143B-135.205 reads as rewritten:

"§ 143B-135.205. North Carolina Zoological Park Council – creation; powers and duties.

There is hereby created the North Carolina Zoological Park Council of the Department of Natural and Cultural Resources. The North Carolina Zoological Park Council shall have the following functions and duties:

- (1) To advise the Secretary on the basic concepts of and for the Zoological Park, ~~approve~~ including conceptual plans for the Zoological Park and its buildings.
- (2) To advise on the construction, furnishings, equipment and operations of the North Carolina Zoological Park.
- (3) To ~~establish and set~~ recommend admission fees ~~with~~ for the approval of the Secretary of Natural and Cultural Resources as provided in G.S. 143B-135.213.
- (4) To recommend programs to promote public appreciation of the North Carolina Zoological Park.
- (5) To disseminate information on animals and the park as deemed necessary.
- (6) To develop effective public support of the North Carolina Zoological Park through whatever means are desirable and necessary.
- (7) To solicit financial and material support from various private sources within and without the State of North Carolina.
- (8) To advise the Secretary of Natural and Cultural Resources upon any matter the Secretary may refer to it."

SECTION 7.(c) G.S. 143B-135.209(c) reads as rewritten:

"(c) Approval. – The Secretary may approve the use of the North Carolina Zoo Fund for repair and renovation projects at the North Carolina Zoological Park ~~recommended by the Council~~ that comply with the following:

- (1) The total project cost is less than five hundred thousand dollars (\$500,000).
- (2) The project ~~meets the requirements of~~ meets the criteria to be classified as a repair or renovation under G.S. 143C-8-13(a).
- (3) The project is paid for from funds appropriated to the Fund.
- (4) The project does not obligate the State to provide increased recurring funding for operations."

SECTION 7.(d) G.S. 143B-135.210 reads as rewritten:

"§ 143B-135.210. Right to receive gifts.

1 In order to carry out the purposes of this Part, the Council ~~is and~~ the Secretary of Natural and
2 Cultural Resources are authorized to acquire by gift or will, absolutely or in trust, from
3 individuals, corporations, or any other source money or other property, or any interests in
4 property, which may be retained, sold or otherwise used to promote the purposes of this Part. The
5 use of gifts shall be subject to such limitations as may be imposed thereon by donors,
6 notwithstanding any other provisions of this Part."

7 **SECTION 7.(e)** G.S. 143B-135.213 reads as rewritten:

8 **"§ 143B-135.213. Sources of funds.**

9 (a) It is the intent of this Part that the funds for the creation, establishment, construction,
10 operation and maintenance of the North Carolina Zoological Park shall be obtained primarily
11 from private sources; however, the ~~Council under the supervision and approval and with the~~
12 ~~assistance of the~~ Secretary of Natural and Cultural Resources is hereby authorized to receive and
13 expend such funds as may from time to time become available by appropriation or otherwise
14 from the State of North Carolina; provided, that the ~~Council~~ Secretary shall not in any manner
15 pledge the faith and credit of the State of North Carolina for any of its purposes.

16 (b) The ~~Council with the approval of the~~ Secretary of Natural and Cultural Resources is
17 authorized to establish and set admission fees which are reasonable and consistent with the
18 purpose and function of the North Carolina Zoological ~~Park~~ Park, as recommended by the
19 Council.

20 (c) Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4),
21 or any other law pertaining to surplus State property, the ~~Council~~ Secretary of Natural and
22 Cultural Resources may dispose of any exhibit, exhibit component, or object from the collections
23 of the North Carolina Zoological Park by sale, lease, donation, or trade. A sale, lease, donation,
24 or trade under this subsection shall be conducted in accordance with generally accepted practices
25 for zoos and aquariums that are accredited by the American Association of Zoos and Aquariums.
26 After deducting the expenses attributable to the sale or lease, the net proceeds of any sale or lease
27 shall be credited to the North Carolina Zoo Fund."

28 **SECTION 7.(f)** G.S. 143B-135.214 reads as rewritten:

29 **"§ 143B-135.214. Powers of ~~Council and~~ Department regarding certain fee negotiations,**
30 **contracts, and capital improvements.**

31 (a) The exception for the North Carolina Zoological Park set forth in G.S. 143-341(3)
32 shall apply only to projects requiring the estimated expenditure of public money of two million
33 dollars (\$2,000,000) or less. The ~~Council and the~~ Department of Natural and Cultural Resources
34 shall, with respect to the design, construction, or renovation of buildings, utilities, and other
35 property developments of the North Carolina Zoological Park that fall below that threshold:

- 36 (1) Conduct the fee negotiations for all design contracts and supervise the letting
37 of all construction and design contracts.
38 (2) Develop procedures governing the responsibilities of the ~~Council and the~~
39 Department to perform the duties of the Department of Administration under
40 G.S. 133-1.1(d) and G.S. 143-341(3).
41 (3) Use existing plans and specifications for construction projects, where feasible.
42 Prior to designing a project, the ~~Council and the~~ Department shall consult with
43 the Department of Administration on the availability of existing plans and
44 specifications and the feasibility of using them for a project.

45 (b) The ~~Council and~~ Department shall use the standard contracts for design and
46 construction currently in use for State capital improvement projects by the Office of State
47 Construction of the Department of Administration.

48 ...

49 (g) Unless clearly indicated otherwise, nothing in this section is intended to relieve the
50 Department ~~or the Council~~ from the obligations imposed by Article 3 of Chapter 143 of the
51 General Statutes."

NC LAND AND WATER FUND CLARIFICATION OF CONSTRUCTION CONTRACT REQUIREMENT

SECTION 8. G.S. 143B-135.238(e) reads as rewritten:

"(e) Withdrawal. – An award of a grant under this Part which will require a construction contract is withdrawn if the grant recipient fails to enter into a construction contract for the project within one year after the date of ~~the award, execution of the grant contract,~~ unless the Trustees find that the applicant has good cause for the failure. If the Trustees find good cause for a recipient's failure, the Trustees must set a date by which the recipient must take action or forfeit the grant."

CONFORMING CHANGES FOR RENAMING OF CLEAN WATER MANAGEMENT TRUST FUND AS NORTH CAROLINA LAND AND WATER FUND

SECTION 9.(a) G.S. 20-79.7(b) reads as rewritten:

"(b) Distribution of Fees. – The Special Registration Plate Account and the Collegiate and Cultural Attraction Plate Account are established within the Highway Fund. The Division must credit the additional fee imposed for the special registration plates listed in subsection (a1) of this section among the Special Registration Plate Account (SRPA), the Collegiate and Cultural Attraction Plate Account (CCAPA), the ~~Clean Water Management Trust Fund (CWMTF),~~ North Carolina Land and Water Fund (NCLWF) which is established under G.S. 143B-135.234, and the Parks and Recreation Trust Fund, which is established under G.S. 143B-135.56, as follows:

<u>Special Plate</u>	<u>SRPA</u>	<u>CCAPA</u>	<u>CWMTF</u>	<u>NCLWF</u>	<u>PRTF</u>
...."					

SECTION 9.(b) G.S. 143-214.14(c) reads as rewritten:

"(c) Legislative Goals and Policies. – It is the goal of the General Assembly that, to the extent practicable, the State shall adopt water quality protection plans that are developed and implemented in cooperation and coordination with local governments and that the State shall adopt water quality protection requirements that are proportional to the relative contributions of pollution from all sources in terms of both the loading and proximity of those sources. Furthermore, it is the goal of the General Assembly to encourage and support State-local partnerships for improved water quality protection through the provision of technical and financial assistance available through the ~~Clean Water Management Trust Fund,~~ North Carolina Land and Water Fund, the Division of Mitigation Services, the Ecosystem Restoration Fund, water quality planning and project grant programs, the State's revolving loan and grant programs for water and wastewater facilities, other funding sources, and future appropriations. The Commission shall implement these goals in accordance with the standards, procedures, and requirements set out in this section."

SECTION 9.(c) G.S. 143-215.71(b) reads as rewritten:

"(b) Notwithstanding subdivision (8) of subsection (a) of this section, projects that are part of the Environmental Quality Incentives Program are ineligible for funding under this Part if they receive funding from the ~~Clean Water Management Trust Fund~~ North Carolina Land and Water Fund established in G.S. 143B-135.234."

SECTION 9.(d) G.S. 143B-53(b) reads as rewritten:

"(b) The Department of Natural and Cultural Resources shall include the currently existing entities listed in subsection (a) of this section and the following additional entities:

...

(6) The ~~Clean Water Management Trust Fund,~~ North Carolina Land and Water Fund.

...."

SECTION 9.(e) Part 41 of Article 2 of Chapter 143B of the General Statutes reads as rewritten:

"Part 41. ~~Clean Water Management Trust Fund~~ North Carolina Land and Water Fund.

...

"§ 143B-135.232. Definitions.

The following definitions apply in this Part:

- (1) Repealed by Session Laws 2019-32, s. 1(a), effective July 1, 2019.
- (2) Fund. – The ~~Clean Water Management Trust~~ North Carolina Land and Water Fund created pursuant to this Part.
- (3) Land. – Real property and any interest in, easement in, or restriction on real property.
- (4) Local government unit. – Defined in G.S. 159G-20.
- (5) Trustees. – The trustees of the ~~Clean Water Management Trust~~ North Carolina Land and Water Fund.

"§ 143B-135.234. ~~Clean Water Management Trust~~ North Carolina Land and Water Fund.

(a) Fund Established. – The ~~Clean Water Management Trust~~ North Carolina Land and Water Fund is established as a special revenue fund to be administered by the Department of Natural and Cultural Resources. The ~~Clean Water Management Trust~~ North Carolina Land and Water Fund shall also be known as the "Land and Water Fund," by its original name, the Clean Water Management Trust Fund. The Fund receives revenue from the following sources and may receive revenue from other sources:

- (1) Annual appropriations.
- (2) Special registration plates under G.S. 20-81.12.
- (3) Other special registration plates under G.S. 20-79.7.
- (4) Hazard mitigation funds from the Federal Emergency Management Agency and other agencies.

...

"§ 143B-135.236. North Carolina Conservation Easement Endowment Fund.

(a) The North Carolina Conservation Easement Endowment Fund is established as a special fund in the Office of the State Treasurer. The principal of the Endowment Fund shall consist of a portion of grant funds transferred by the Trustees to the Endowment Fund from the ~~Clean Water Management Trust~~ North Carolina Land and Water Fund for stewardship activities related to projects for conservation easements funded from the ~~Clean Water Management Trust~~ North Carolina Land and Water Fund. The principal of the Endowment Fund may also consist of any proceeds of any gifts, grants, or contributions to the State that are specifically designated for inclusion in the Endowment Fund and any investment income that is not used in accordance with subsection (b) of this section. The State Treasurer shall hold the Endowment Fund separate and apart from all other moneys, funds, and accounts. The State Treasurer shall invest the assets of the Endowment Fund in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3. The State Treasurer shall disburse the endowment investment income only upon the written direction of the Chair of the Board of Trustees. No expenditure or disbursement shall be made from the principal of the Endowment Fund.

(b) The Trustees may authorize the disbursement of the endowment investment income only for activities related to stewardship of conservation easements owned by the State.

...

**"§ 143B-135.240. ~~Clean Water Management Trust~~ North Carolina Land and Water Fund:
Board of Trustees established; membership qualifications; vacancies; meetings
and meeting facilities.**

(a) Board of Trustees Established. – There is established the ~~Clean Water Management Trust~~ North Carolina Land and Water Fund Board of Trustees. The ~~Clean Water Management Trust~~ North Carolina Land and Water Fund Board of Trustees shall be administratively located within the Department of Natural and Cultural Resources.

(b) Membership. – The ~~Clean Water Management Trust~~ North Carolina Land and Water Fund Board of Trustees shall be composed of nine members appointed to three-year terms as follows:

...

The initial terms of members appointed pursuant to subdivisions (2) and (8) of this subsection shall expire July 1, 2020. The initial terms of members appointed pursuant to subdivisions (1) and (4) of this subsection shall expire July 1, 2021. The initial terms of members appointed pursuant to subdivisions (3), (6), and (9) of this subsection shall expire July 1, 2022.

...

"§ 143B-135.242. ~~Clean Water Management Trust~~ North Carolina Land and Water Fund Board of Trustees: powers and duties.

...

"§ 143B-135.244. ~~Clean Water Management Trust~~ North Carolina Land and Water Fund: reporting requirement.

The Chair of the Board of Trustees shall report no later than December 1 each year to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Environmental Review Commission, the Subcommittees of the House of Representatives and Senate Appropriations Committees with jurisdiction over natural and economic resources, and the Fiscal Research Division of the General Assembly regarding the implementation of this Part. The report shall include a list of the projects awarded grants from the Fund for the previous 12-month period. The list shall include for each project a description of the project, the amount of the grant awarded for the project, and the total cost of the project. For projects funded for the purpose set forth in G.S. 143B-135.234(c)(12), the report shall also include the amount of flood storage capacity enhanced or restored for each project.

"§ 143B-135.246. ~~Clean Water Management Trust~~ North Carolina Land and Water Fund: Executive Director and staff.

The Secretary of Natural and Cultural Resources shall select and appoint a competent person in accordance with this section as Executive Director of the ~~Clean Water Management Trust~~ North Carolina Land and Water Fund Board of Trustees. The Executive Director shall be charged with the supervision of all activities under the jurisdiction of the Trustees and shall serve as the chief administrative officer of the Trustees. Subject to the approval of the Secretary of Natural and Cultural Resources, the Executive Director may employ such clerical and other assistants as may be deemed necessary.

The person selected as Executive Director shall have had training and experience in conservation, protection, and management of surface water resources. The salary of the Executive Director shall be fixed by the Secretary of Natural and Cultural Resources, and the Executive Director shall be allowed travel and subsistence expenses in accordance with G.S. 138-6. The Executive Director's salary and expenses shall be paid from the Fund. The term of office of the Executive Director shall be at the pleasure of the Secretary of Natural and Cultural Resources."

SECTION 9.(f) G.S. 146-30.2 reads as rewritten:

"§ 146-30.2. Calculation of net proceeds from the sale of State-owned real property located outside the State Capitol area.

...

(c) Calculation of Net Proceeds. – For the purposes of this section, the term "net proceeds" means the gross amount received from the sale of State-owned real property located outside of the State Capitol area, less the following:

- (1) Any expenses incurred incident to that sale as may be allowed under rules and regulations adopted by the Governor and approved by the Council of State.
- (2) A service charge to be paid into the State Land Fund, unless such service charge is prohibited by G.S. 146-30.

- 1 (3) An amount equal to twelve and one-half percent (12.5%) of the gross amount
2 received to be paid into the ~~Clean Water Management Trust North Carolina~~
3 Land and Water Fund established under G.S. 143B-135.234(a).
4 (4) An amount equal to twelve and one-half percent (12.5%) of the gross amount
5 received to be paid into the Parks and Recreation Trust Fund established under
6 G.S. 143B-135.56(a).
7"
8

9 **STATE NATURE AND HISTORIC PRESERVE ADDITION**

10 **SECTION 10.** G.S. 143-260.10 is amended by adding a new subdivision to read:

11 "(29) Certain tracts within and in the vicinity of the National Landmark Historic
12 District of Bethania in Forsyth County containing approximately 189.84
13 acres, identified within the State Property Office file complexes designated as
14 Bethania Walnut Bluffs and Historic Bethabara Park, and assigned to the
15 Department of Natural and Cultural Resources as of June 7, 2022."
16

17 **EFFECTIVE DATE**

18 **SECTION 11.** Except as otherwise provided, this act is effective when it becomes
19 law.