



HOUSE BILL 1163: Guilford Funds/Cabarrus Land/Brunsw Shellfish.

2019-2020 General Assembly

Committee:	Senate Finance. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 17, 2020
Introduced by:	Reps. Faircloth, Hardister	Prepared by:	Nicholas Giddings Staff Attorney
Analysis of:	Second Edition		

OVERVIEW: *House Bill 1163 has one finance provision, Section 6, which would create a pilot program to lift a moratorium on shellfish leases in certain waters in Brunswick County. The remainder of the bill would do the following:*

- *Reallocate the unused portion of funds originally allocated to Guilford County and certain municipalities in northwest Guilford County for water and wastewater system improvements by dividing that unused portion equally among the municipalities of Oak Ridge, Stokesdale, and Summerfield to be used for water infrastructure projects.*
- *Transfer certain parcels of the Stonewall Jackson Manual Training and Industrial School campus to Cabarrus County.*

CURRENT LAW/BILL ANALYSIS:

Sections 1-2: The Current Operations and Capital Improvements Appropriations Act of 2016 (S.L. 2016-94), allocated \$14.5 million to the Counties of Rockingham and Guilford and to the municipalities in those counties to fund regionalization and interconnection of the water systems in those counties and municipalities. The act was amended by S.L. 2017-17 to apportion 25% of the funds to Guilford County and certain designated Guilford County municipalities, and 75% to Rockingham County and certain designated Rockingham County municipalities. S.L. 2019-75 expanded use of the funds to include sewer and wastewater projects and to provide that any funds not used or encumbered by June 30, 2021, shall revert to the General Fund.

Sections 1 and 2 of House Bill 1163 would provide that any unspent and unencumbered funds allocated by S.L. 2016-94, as amended, to Guilford County and the municipalities of Oak Ridge, Stokesdale, and Summerfield, for water and wastewater system improvements be reallocated equally to Oak Ridge, Stokesdale, and Summerfield for water infrastructure projects and would require that any funds unspent or unencumbered by June 30, 2022, revert to the General Fund.

Sections 3-5: The Joint Legislative Program Evaluation Oversight Committee's 2019-2020 Work Plan directed the Program Evaluation Division to identify legislative options for disposal of the Stonewall Jackson Manual Training and Industrial School historic campus ("Campus") in Cabarrus County in ways that would ensure historic preservation and rehabilitation. Based on the recommendations of the PED Report,¹ Sections 3-5 would transfer certain parcels of the Campus. Sections 3 and 4 sets forth criteria to identify parcels to convey to Cabarrus County. Section 5 identifies two parcels to be placed on the market

¹ https://www.ncleg.net/PED/Reports/documents/Stonewall/Stonewall_Report.pdf

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for sale, the proceeds of which shall be used to offset expenses incurred in identifying parcels to transfer to Cabarrus County under Sections 3 and 4.

Section 6: Section 2 of Chapter 876 of the 1967 Session Laws provides a moratorium on shellfish leases in Brunswick County. Section 6 would create a pilot program authorizing the Secretary of Environmental Quality to grant shellfish cultivation leases or water column leases in certain specified waters in Brunswick County. It also directs the Division of Marine Fisheries to study the leases and provide an interim report to the General Assembly by January 1, 2027, and a final report by January 1, 2032. In the final report, the Division must recommend whether the pilot program should be terminated, made permanent, or expanded.

EFFECTIVE DATE: Section 6 would become effective July 1, 2020 and expire July 1, 2032. Any lease granted pursuant to Section 6 shall terminate no later than July 1, 2033. The remainder of the bill would become effective when it becomes law.

Staff attorneys Jeff Cherry and Billy Godwin substantially contributed to this summary.