



# HOUSE BILL 375: Authorize Teacher-Gov't Emp'ee Housing/Bertie.

2019-2020 General Assembly

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<b>Committee:</b>	House State and Local Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 24, 2019
<b>Introduced by:</b>	Rep. Goodwin	<b>Prepared by:</b>	Erika Churchill
<b>Analysis of:</b>	First Edition		Staff Attorney

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**OVERVIEW:** *House Bill 375 would authorize the Windsor Township Development Commission to borrow money and incur debt for the purpose of constructing and maintaining affordable rental housing for teachers and other employees of Bertie County Schools, Bertie County employees, Town of Windsor employees and State employees residing in Bertie County.*

[As introduced, this bill was identical to S8, as introduced by Sen. Smith, which is currently in Senate Rules and Operations of the Senate.]

**CURRENT LAW:** The Windsor Township Development Commission was created by local act of the General Assembly in 1965. The Commission consists of five members, all appointed by the Bertie County Board of Commissioners, for terms of four years each.

According to Chapter 559 of the Session Laws of 1965, Windsor Township in Bertie County owned certain funds in the form of proceeds received from the redemption of the preferred stock held by Windsor Township in The Carolina Southern Railway Company. The original source of the funds was a bond issue approved by the voters of the Windsor Township for the purpose of stimulating industrial development by improvement of the local railroad. The funds, together with interest accrued thereon, were paid over to the Commission. The Commission, in its discretion, is authorized to use the funds to make loans, adequately secured by first or second mortgages upon real estate, for purposes which the Commission finds would promote the industrial growth and development of Windsor Township. The Commission is also empowered, in its discretion, to subordinate any first mortgages taken by it to other mortgages taken by other parties, at any time and in any manner which the Commission determines would promote the industrial growth and development of Windsor Township.

The Commission is authorized to use the interest or other income from the investments and loans of the funds for payment of the necessary expenses incident to its functioning as a public agency and, in its discretion, for advertising the industrial advantages and opportunities of Windsor Township and for other purposes calculated to promote the industrial and economic growth and development of Windsor Township.

Under G.S. 66-58, popularly known as the Umstead Act, governmental units, with the exception of counties and cities, are generally prohibited from engaging in the sale of goods and services in competition with citizens of the State.

**BILL ANALYSIS:** The bill would authorize the Windsor Township Development Commission, notwithstanding the Umstead Act and the general laws governing counties and cities to do all of the following:

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- To acquire and hold title to real and personal property for public purposes, including specifically for the purpose of constructing and maintaining affordable rental housing units for any of the following:
  - Bertie County Schools teachers and employees.
  - Bertie County employees.
  - Town of Windsor employees.
  - State employees residing in Bertie County.
- To borrow money and incur debt under terms the Windsor County Development Commission deems reasonable, whether secured or unsecured, for public purposes, including specifically for the purpose of constructing and maintaining affordable rental housing units for the listed personnel.
- To enter into leases, management agreements, or similar arrangements with Bertie County for Bertie County to manage, lease, and maintain rental housing units constructed by the Commission for the listed personnel.
- To accept grants or donations of money contributed for public purposes.

The bill would also authorize the County of Bertie to enter into leases, management agreements, or similar arrangements with the Windsor Township Development Commission for Bertie County to manage, lease, and maintain rental housing units constructed affordable rental housing units for the listed personnel. The bill would require the County of Bertie to restrict the rental of the affordable housing to Bertie County Public Schools teachers and employees, unless it cannot be filled by Bertie County Public Schools teachers and employees. In that situation, the affordable housing would be rented to Bertie County employees, Town of Windsor employees, or State employees residing in Bertie County.

**EFFECTIVE DATE:** Effective when it becomes law.

**BACKGROUND:** Six other boards of education have similar authority to lease housing to teachers within the local school administrative unit: Dare County Board of Education (S.L. 2004-16); Bertie County Board of Education (S.L. 2006-61); Hertford County Board of Education (S.L. 2006-86); Asheville City Board of Education (S.L. 2007-239); Transylvania County Board of Education (S.L. 2009-154); and Edgecombe County Board of Education (S.L. 2009-161). The specific authority granted to each board of education varies.