



This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 356: Surplus Property Proceeds to Parks and Water.

2019-2020 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	July 30, 2019
Introduced by:	Sens. Wells, Brown	Prepared by:	Howard Marsilio
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: Senate Bill 356 would distribute a portion of the gross proceeds from the sale of State-owned real property located outside the State Capital Area to the Clean Water Management Trust Fund and the Parks and Recreation Trust Fund.

CURRENT LAW: Under current law, the net proceeds from the sale of State-owned real property are distributed according to the following priority: 1) in accordance with the provisions of any trust or other instrument of title for the property; 2) as provided by an act of the General Assembly; 3) deposited with the State Treasurer, where the net proceeds become part of the General Fund.

Net proceeds from the sale of State-owned real property are the gross proceeds from the sale less:

- Expenses incurred incident to the sale as provided under rules adopted by the Governor and approved by the Council of State.
- A service charge to be paid into the State Land Fund as provided under rules adopted by the Governor and approved by the Council of State, but not to exceed 10% of the gross proceeds. Under certain circumstances, the service charge to be paid into the State Land Fund is not allowed.

There are a number of exceptions to the general disposition priority where State agencies may retain the net proceeds from the sale of real property held by the agency.

BILL ANALYSIS: Senate Bill 356 would modify how net proceeds are calculated for the sale of State-owned real property that is located outside the State Capital Area. In addition to expenses incurred incident to sale and a service charge to be paid to the State Land Fund, gross proceeds would be reduced by the following:

- 12.5% of the gross amount received, to be paid into the Clean Water Management Trust Fund.
- 12.5% of the gross amount received, to be paid into the Parks and Recreation Trust Fund.

The bill would define State Capital Area as the area located in Raleigh that is bound by Peace Street on the north, Capital Boulevard/Dawson Street on the west, Morgan Street on the south, and Person Street on the east. Except as otherwise provided, net proceeds would be handled in accordance with current law.

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These changes would not apply to proceeds derived from the sale of land or property originally purchased with, under the supervision and control of, or maintained with funds from the State Highway Fund or proceeds derived from the disposition of residue property.

EFFECTIVE DATE: This act would become effective September 1, 2019.

**Jeff Hudson, counsel to Senate Agriculture/Environment/Natural Resources, substantially contributed to this summary.*