



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:	Senate Agriculture/Environment/Natural Resources. If favorable, re-refer to Rules and Operations of the Senate	Date:	April 10, 2019
Introduced by:	Sens. Wells, Brown	Prepared by:	Jeff Hudson
Analysis of:	PCS to First Edition S356-CSSB-2		Committee Counsel

OVERVIEW: *The Proposed Committee Substitute for Senate Bill 356 (PCS) 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: The Proposed Committee Substitute for Senate Bill 356 (PCS) 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:

- An amount equal to twelve and one half percent (12.5%) of the gross amount received to be paid into the Clean Water Management Trust Fund.
- An amount equal to twelve and one half percent (12.5%) of the gross amount received to be paid into the Parks and Recreation Trust Fund.

The PCS defines 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. The PCS also provides that except as otherwise provided, net proceeds will be handled in accordance with current law.

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

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