



SENATE BILL 390: DuPont State Forest-Financial Study.

2019-2020 General Assembly

Committee:		Date:	June 4, 2020
Introduced by:	Sen. Edwards	Prepared by:	Kyle Evans
Analysis of:	Third Edition		Staff Attorney

OVERVIEW: *Senate Bill 390 would direct the Department of Agriculture and Consumer Services to study DuPont State Recreational Forest's operating model and create a plan to ensure a sustainable revenue stream for the Forest, and would distribute a portion of the gross proceeds from the sale of State-owned real property located outside the State Capitol Area to the Clean Water Management Trust Fund and the Parks and Recreation Trust Fund.*

CURRENT LAW AND BILL ANALYSIS:

Section 1 would direct the Department of Agriculture and Consumer Services (Department) to study the finances and operating model of DuPont State Recreational Forest (Forest) and create a plan for a sustainable income stream to preserve and protect the Forest. The Department should, at minimum, include the following in its study:

- A financial model based on data from North Carolina and other states.
- An entry fee that favors North Carolina citizens and requires out-of-state visitors to contribute in proportion to their use of taxpayer-funded facilities and amenities within the Forest.
- A recommendation for legislation needed to ensure that Forest receipts are used only for the Forest's capital, maintenance, and operational needs.
- Recommendations for capital projects or operational changes needed to improve safety concerning roadside parking.

The Department would be directed to report its findings to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division by February 1, 2021.

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.

Karen Cochrane-Brown
Director



Legislative Analysis
Division
919-733-2578

Senate Bill 390

Page 2

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

Section 2 would modify how net proceeds are calculated for the sale of State-owned real property that is located outside the State Capitol 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.

This section defines State Capitol 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. This section also provides that except as otherwise provided, net proceeds will be handled in accordance with current law.

This section 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 be effective when it becomes law.