



# HOUSE BILL 332: Historic Sites-Property Sale Revenue.

2021-2022 General Assembly

<b>Committee:</b>	House State Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 21, 2021
<b>Introduced by:</b>	Rep. Tyson	<b>Prepared by:</b>	Brad Krehely
<b>Analysis of:</b>	PCS to First Edition H332-CSRNy-9		Committee Co-Counsel

**OVERVIEW:** House Bill 332 would allow net proceeds from the sale of certain real property owned by or under the control of the Department of Natural and Cultural Resources to be deposited into special funds to be used for the benefit of certain State historic sites and museums and to remove certain land from the State Nature and Historic Preserve.

The Proposed Committee Substitute (PCS) does all of the following: (1) requires the net proceeds from the sale of real property from the Bentonville Battlefield State Historic Site to be deposited in the Bentonville Battle Fund, (2) requires the net proceeds from the sale of real property from the North Carolina Transportation Museum to be deposited in the North Carolina Transportation Museum Fund, (3) makes conforming changes, and (4) removes certain land from the State Nature and Historic Preserve.

**CURRENT LAW:** Subchapter II of Chapter 146 of the General Statutes addresses disposition and management of most State lands.

G.S. 146-30 provides that the net proceeds of any disposition must be handled in accordance with the following priority: first, in accordance with the provisions of any trust or other instrument of title whereby title to real property was acquired; second, as provided by any other act of the General Assembly; and third, by depositing the net proceeds with the State Treasurer. Nothing prohibits the disposition of any State lands by exchange for other lands, but if the appraised value in fee simple of any property involved in the exchange is at least \$25,000, then the exchange shall not be made without consultation with the Joint Legislative Commission on Governmental Operations.

"Net proceeds" means the gross amount received from the sale, lease, rental, or other disposition of any State lands, less all of the following: (1) Expenses incurred incident to that sale, lease, rental, or other disposition that are allowed under rules adopted by the Governor and approved by the Council of State and (2) a service charge to be paid into the State Land Fund. G.S. 146-30(d) lists a number of exceptions from the general provisions addressing disposition of State lands under Subchapter II.

Section 5 of Article XIV of the Constitution of North Carolina provides for addition of properties to and removal of properties from the State Nature and Historic Preserve by a law enacted by a three-fifths vote of the members of each house of the General Assembly. The Preserve is intended to insure that lands and waters acquired and preserved for public park, recreation, conservation, and historic preservation purposes continue to be used for these purposes. Upon inclusion in the Preserve, these lands may not be used for other purposes except as authorized by a law enacted by a vote of three-fifths of the members of each house. G.S. 143-260.8 provides conditions and procedures for additions to, and deletions from, the

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Preserve, which must be authorized by the General Assembly. G.S. 143-260.10 lists the current components of the Preserve.

## **BILL ANALYSIS:**

Section 1 of the PCS for House Bill 332 would add the following additional exceptions in G.S. 146-30(d):

- The net proceeds derived from the sale of real property owned by or under the control of the Division of State Historic Sites and the Division of State History Museums in the Department of Natural and Cultural Resources must be deposited in the State Historic Sites and Museums Fund, created in G.S. 121-7.7, and must be used in accordance with that section.
- The net proceeds derived from the sale of real property owned by or under the control of the Division of Tryon Palace Historic Sites and Gardens in the Department of Natural and Cultural Resources must be deposited in the Tryon Palace Historic Sites and Gardens Fund, created in G.S. 121- 21.1, and must be used in accordance with that section.
- The net proceeds derived from the sale of real property from the Bentonville Battlefield State Historic Site owned by or under the control of the Division of State Historic Sites in the Department of Natural and Cultural Resources must be deposited in the Bentonville Battle Fund, created in G.S. 121-7.5, and must be used in accordance with that section.
- The net proceeds derived from the sale of real property from the North Carolina Transportation Museum owned by or under the control of the Department of Natural and Cultural Resources must be deposited in the North Carolina Transportation Museum Fund, created in G.S. 121-7.6, and must be used in accordance with that section.

**Section 2** would make a conforming change the statute governing the State Historic Sites and Museum Fund to clarify that the Fund also consists of the net proceeds derived from the sale of real property under newly created G.S. 146-30(d)(11).

**Section 3** would make a conforming change the statute governing the Tryon Palace Historic Sites and Gardens Fund to clarify that the Fund also consists of the net proceeds derived from the sale of real property under newly created G.S. 146-30(d)(12). This section also would provide that the Fund consists of all revenues derived from donations, gifts, devises, grants, and admissions and fees collected at the Tryon Palace Historic Sites and Gardens. It also would allow the Fund to be used for operation and interpretation and the Tryon Palace Historic Sites and Gardens.

**Section 4** would make a conforming change the statute governing the Bentonville Battle Fund to clarify that the Fund also consists of the net proceeds derived from the sale of real property under newly created G.S. 146-30(d)(13).

**Section 5** would make a conforming change to the statute governing the North Carolina Transportation Museum Fund to clarify that the Fund also consists of the net proceeds derived from the sale of real property under newly created G.S. 146-30(d)(14).

**Section 6** would remove certain property at Tryon Palace Historic Sites and Gardens from the State Nature and Historic Preserve.

**EFFECTIVE DATE:** The act would be effective when it becomes law.