



2023-2024 General Assembly

# HOUSE BILL 168: Department of Natural and Cultural Resources Agency Bill, Sec. 6: Umstead Act Exemption for Lodging Facilities at State Parks

**Committee:**  
**Introduced by:**  
**Analysis of:** Sec. 6 of S.L. 2023-70

**Date:** November 27, 2023  
**Prepared by:** Aaron McGlothlin  
Staff Attorney

**OVERVIEW:** Section 6 of S.L. 2023-70 exempts certain lodging facilities at State Parks from the Umstead Act prohibition on State agencies competing with the private commercial activities of North Carolina citizens.

*This section became effective June 30, 2023.*

## BACKGROUND / BILL ANALYSIS:

The Umstead Act generally prohibits North Carolina government agencies from competing with the private commercial activities of North Carolina citizens.

In relation to the Department of Natural and Cultural Resources (DNCR), the following activities are exempt from the Umstead Act prohibition on State government commercial activities: the sale of food; the sale of books, gifts, and other tourism-related items; and revenues from public and private special events, activities, and programming at State parks, State aquariums, historic sites and museums administered by DNCR, provided that the resulting profits are used to support the operation of those sites.

Prior to the enactment of S.L. 2023-70, this exemption did not allow DNCR to construct, maintain, operate, or lease a hotel or tourist inn in any site or facility over which it has jurisdiction, except that the North Carolina Zoological Park could lease a portion of the Park on which a private entity can construct and operate a hotel and related facilities.

**Section 6** expressly exempts the following from the Umstead Act:

- Existing lodging facilities located at Haw River State Park, Hanging Rock State Park, and Pisgah View State Park.
- A hotel and related facilities constructed and operated by a private entity on land leased from the North Carolina Zoological Park.
- Rentals of rustic cabins and recreational vehicle or tent sites in State parks.

**EFFECTIVE DATE:** This section became effective June 30, 2023.

*\*Brad Krehely and Brian Gwyn, Staff Attorneys for the Legislative Analysis Division, substantially contributed to this summary.*

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