



# SENATE BILL 512: Greater Accountability for Boards/Commissions.

2023-2024 General Assembly

<b>Committee:</b>	House State Government. If favorable, re-refer to Judiciary 1. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	May 30, 2023
<b>Introduced by:</b>	Sens. Daniel, Rabon, Berger	<b>Prepared by:</b>	Brad Krehely
<b>Analysis of:</b>	PCS to Second Edition S512-CSR-N-24		Committee Co-Counsel

**OVERVIEW:** *The Proposed Committee Substitute (PCS) for Senate Bill 512 would amend the compositions of and appointments to various boards and commissions in North Carolina. The PCS does the following: (1) deletes former Part I which made modifications to the Utilities Commission, (2) rewrites Section 4.1(b) to provide that the terms of all current Board of Transportation members would expire on June 30, 2023, and to provide for the appointments of new members and the staggering of terms, and (3) adds Part IX which expands the membership of the Board of Governors of the University of North Carolina from 24 to 28 members and changes the method of selection of those members.*

## CURRENT LAW AND BILL ANALYSIS:

### PART I. ECONOMIC INVESTMENT COMMITTEE

**Section 1.1.** would add the Speaker of the House of Representatives and the President Pro Tempore of the Senate, or their designees, as members of the Economic Investment Committee (Committee) and remove the prohibition that members of the Committee appointed by General Assembly cannot be members of the General Assembly. Members of the Committee, serving as ex officio members or designees of members appointed by the General Assembly, would serve until they are no longer in office or are replaced with another designee. The Committee would act only with a majority of its members.

### PART II. ENVIRONMENTAL MANAGEMENT COMMISSION

**Section 2.1.** would change two of the Governor's nine appointments on the 15-member Environmental Management Commission (the Commission) to two appointments made by the Commissioner of Agriculture. Each appointing authority could reappoint a member of the Commission to an additional term if the member qualified for membership or remove a member. The General Assembly would continue to appoint six members, three upon recommendation of the Speaker of the House of Representatives and three upon recommendation of the President Pro Tempore of the Senate.

A chair would be elected by and from members of the Commission rather than designated by the Governor.

### PART III. COMMISSION FOR PUBLIC HEALTH

**Section 3.1.** would change the 13-person membership of the Commission for Public Health as follows:

- The Governor currently appoints nine members and would appoint five.
- The General Assembly would appoint four members, two upon recommendation of the Speaker of the House of Representatives and two upon recommendation of the President Pro Tempore of the Senate.

Jeffrey Hudson  
Director



\* S 5 1 2 - S M R N - 7 0 C S R N - 2 4 - V - 8 \*

Legislative Analysis  
Division  
919-733-2578

# Senate 512 PCS

Page 2

- Four members would continue to be elected by the North Carolina Medical Society.

Any appointment to fill a vacancy created by resignation, dismissal, death, or disability would be filled by the appointing authority. Each appointing authority would be able to remove a member.

The General Assembly would make appointments for the four terms expiring on April 30, 2023.

## **PART IV. BOARD OF TRANSPORTATION**

**Section 4.1.(a)** would amend the appointments to the 20-member Board of Transportation (the Board) as follows:

- The Governor currently appoints 14 members and would appoint six.
- The General Assembly currently appoints six members and would appoint 14, seven upon recommendation of the Speaker of the House of Representatives and seven upon recommendation of the President Pro Tempore of the Senate.

The Board, rather than the Governor, would select a chair and vice-chair for two-year terms.

**Section 4.1.(b)** would provide that the terms of all current Board members would expire on June 30, 2023, and all new members would be appointed beginning July 1, 2023, with half of the members serving 2-year initial terms, half of the members serving initial 4-year terms, and all terms thereafter being 4 years.

This section would become effective July 1, 2023.

## **PART V. COASTAL RESOURCES COMMISSION**

**Section 5.1.** would amend the appointments to the 13-member Coastal Resources Commission (the Commission) as follows:

- The Governor currently appoints nine members and would appoint six.
- The General Assembly currently appoints four members and would appoint six.
- The Commissioner of Insurance would appoint one member.

The chair would be elected by the Commission members rather than selected by the Governor.

## **PART VI. WILDLIFE RESOURCES COMMISSION**

**Section 6.1.(a)** would increase the number of members on the Wildlife Resources Commission (the Commission) by changing the number of appointments by the General Assembly from eight to 10 members, five upon recommendation of the Speaker of the House of Representatives and five upon recommendation of the President Pro Tempore of the Senate. The Governor would continue to appoint 11 members. These changes would be effective when the bill becomes law.

**Sections 6.1.(b) and (c)** would change the Governor's two at-large member appointments to one and give the Commissioner of Agriculture one at-large appointment. Vacancies of appointments made by the Commissioner of Agriculture would be filled by the Commissioner of Agriculture by appointing a member of the State at large. These changes would become effective June 30, 2025.

## **PART VII. NORTH CAROLINA RAILROAD BOARD OF DIRECTORS**

**Section 7.1.** would amend the appointments to the 13-person membership of the North Carolina Railroad Board of Directors (the Board) as follows:

- The Governor currently appoints seven members and would appoint six.
- The State Treasurer would appoint one member.

# Senate 512 PCS

Page 3

- The General Assembly would continue to appoint six members, three upon recommendation of the Speaker of the House of Representatives and three upon recommendation of the President Pro Tempore of the Senate.

The Treasurer's appointee would replace a Governor's appointee with a term expiring in 2023, and the effective date of this section would be determined by actions taken by the Board. The railroad would be required to give notice to the Revisor of Statutes as to the effective date of those changes.

## **PART VIII. BOARD OF DIRECTORS OF THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM**

**Section 8.1.** would amend the 24-member Board of Directors of the University of North Carolina Health Care System as follows:

- There would be four ex officio members instead of eight.
- Eight at-large members would be appointed annually by the General Assembly, one upon recommendation of the Speaker of the House of Representatives and one upon recommendation of the President Pro Tempore of the Senate.
- The Board of Governors would continue to appoint 12 at-large members.
- The Board of Directors would no longer appoint four at-large members.

The section would also provide for appointments in 2023, 2024, 2025, and 2026 to allow for staggering of terms of the members.

## **PART IX. BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA**

**Section 9.1** would make the following changes to the Board of Governors of The University of North Carolina:

- Expand the number of members from 24 to 28.
- Change the method of selection from election by the Senate and House of Representatives to appointment by the General Assembly upon the recommendation of either the President Pro Tempore of the Senate or the Speaker of the House of Representatives.

## **PART X. MISCELLANEOUS**

**Section 10.1** would provide a severability clause.

**EFFECTIVE DATE:** Except as otherwise provided, this act would be effective when it becomes law.

**BACKGROUND:** Legislation involving appointments to boards and commissions may implicate several provisions of the State's constitution, including:

- Article I, Section 6 of the State's Constitution, which provides:  
**Sec. 6. Separation of powers.**  
The legislative, executive, and supreme judicial powers of the State government shall be forever separate and distinct from each other.
- Article II, Section 1, of the State's Constitution, which provides:  
**Section 1. Legislative power.**  
The legislative power of the State shall be vested in the General Assembly, which shall consist of a Senate and a House of Representatives.
- Article III, Section 1 of the State's Constitution, which provides:  
**Section 1. Executive power.**

# Senate 512 PCS

Page 4

The executive power of the State shall be vested in the Governor.

- Article III, Section 5, Clauses 4 and 8, of the State's Constitution (Executive), which provides:

## **Sec. 5. Duties of Governor.**

(4) Execution of laws. The Governor shall take care that the laws be faithfully executed.

...

(8) Appointments. The Governor shall nominate and by and with the advice and consent of a majority of the Senators appoint all officers whose appointments are not otherwise provided for.

Such legislation has been challenged on constitutional grounds in the past – two relevant decisions of the State's Supreme Court include:

- [State ex rel. Wallace v. Bone, 304 N.C. 591, 286 S.E.2d 79 \(1982\)](#)

In this case, the Court considered a challenge to legislation that appointed four members of the General Assembly to serve on the Environmental Management Commission (EMC). The Court held that the statute allowing the General Assembly to appoint legislators to the EMC was a separation of powers violation under the State constitution, and stated:

*"It is crystal clear to us that the duties of the EMC are administrative or executive in character and have no relation to the function of the legislative branch of government, which is to make laws... [T]he legislature cannot constitutionally create a special instrumentality of government to implement specific legislation and then retain some control over the process of implementation by appointing legislators to the governing body of the instrumentality."*

**Given the holding of Wallace v. Bone**, Section 1.1 of the PCS may pose constitutional concerns, inasmuch as that provision appoints members of the General Assembly to the Economic Investment Committee, if a court determines the Committee's duties are administrative or executive in nature.

- [McCrorry v. Berger, 368 N.C. 633, 781 S.E. 2d 248 \(2016\)](#)

In this case, the Court considered a challenge to legislation that gave the General Assembly a majority of the members of the Coal Ash Commission, Oil & Gas Commission, and Mining Commission relative to the Governor. The Court held that the challenged appointment provisions violated the separation of powers clause, and stated:

*"When the General Assembly appoints executive officers that the Governor has little power to remove, it can appoint them essentially without the Governor's influence. That leaves the Governor with little control over the views and priorities of the officers that the General Assembly appoints. When those officers form a majority on a commission that has the final say on how to execute the laws, the General Assembly, not the Governor, can exert most of the control over the executive policy that is implemented in any area of the law that the commission regulates. As a result, the Governor cannot take care that the laws are faithfully executed in that area. The separation of powers clause plainly and clearly does not allow the General Assembly to take this much control over the execution of the laws from the Governor and lodge it with itself."*

**Given the holding of McCrorry v. Berger**, Section 4.1 of the PCS may pose constitutional concerns, inasmuch as under this provision, the Governor would have fewer appointees than the General Assembly to the Board of Transportation.

# Senate 512 PCS

*Page 5*

Note, however, that McCrorry v. Berger did not consider how appointment of other officers of the Executive Branch, such as the Commissioners of Agriculture or Insurance, or by other bodies, such as the Medical Society, to a board or commission may impact a separation of powers analysis. Therefore, it is unclear if McCrorry v. Berger concerns would apply to other Sections of the PCS.

\*Kristen Harris, Brian Gwyn and Wendy Ray, Staff Attorneys for the Legislative Analysis Division, contributed substantially to this summary.