

1998

**HOUSE
APPROPRIATIONS –
NATURAL & ECONOMIC
RESOURCES**

MINUTES

APPROPRIATIONS SUB-COMMITTEE

ON

NATURAL AND ECONOMIC RESOURCES

HOUSE OF REPRESENTATIVES

1998 SESSION

Representative Frank Mitchell
Senior Co-Chair

Representative Rex L. Baker
Representative James C. Carpenter
Co-Chairs

Susan West, Clerk
Jo Hinton, Clerk
Ann Jordan, Clerk

House Appropriations Sub-Committee on

Natural and Economic Resources

1998 Session



Rep. Frank Mitchell
Senior Co-Chair



Rep. Rex Baker
Co-Chair



Rep. Jim Carpenter
Co-Chair



Rep. Bill Owens
Ranking Minority Member

Members



Rep. Gordon Allen



Rep. Arlie Culp



Rep. Stan Fox



Rep. Bobby Ray Hall



Rep. Howard Hunter



Rep. Joe Tolson



Rep. John Weatherly

**HOUSE APPROPRIATIONS SUB-COMMITTEE ON
NATURAL AND ECONOMIC RESOURCES**

1998 SESSION

Member Clerk	Office Address	Tel #
Rep. Frank Mitchell, Co-Chair Susan West, Clerk	Room 638, LOB	3-5959
Rep. Rex L. Baker, Co-Chair Jo Hinton, Clerk	Room 632, LOB	3-5787
Rep. James C. Carpenter, Co-Chair Ann Jordan, Clerk	Room 537, LOB	3-5777
Rep. William C. Owens, Jr., RMM Marie Sheets	Room 608, LOB	3-0010
Rep. Gordon Allen Lillie Pearce	Room 1220, LB	3-5746
Rep. Arlie F. Culp Waneta Lord	Room 1010, LB	3-5865
Rep. Stan H. Fox Sue Buehlmann	Room 1217, LB	3-5757
Rep. Bobby Ray Hall Paula Covington	Room 637, LOB	3-5906
Rep. Howard J. Hunter, Jr. Barbara Phillips	Room 613, LOB	3-2962
Rep. Joe P. Tolson Gayle Christian	Room 609, LOB	3-5607
Rep. John H. Weatherly Debbie Puckett	Room 503, LOB	3-5849

**HOUSE APPROPRIATIONS SUB-COMMITTEE ON
NATURAL & ECONOMIC RESOURCES**

[illegible]

**HOUSE APPROPRIATIONS SUB-COMMITTEE ON
NATURAL & ECONOMIC RESOURCES**

[illegible]

JOINT MEETINGS

Appropriations Sub-Committee on Natural and Economic Resources

1998

May 27, 1998

June 9, 1998

Record of these meetings can be found in the notebook of the Joint Meetings of the House and Senate Appropriations Sub-Committees on Natural and Economic Resources for 1998.

DISPOSITION OF BILLS

The following is a list of bills reviewed by the House Appropriations Subcommittee on Natural and Economic Resources during the 1998 Session. ***Please note there was no action taken on the bills.*** All information pertaining to each bill can be found under the corresponding date tab as listed.

HB 738	Equine Infectious Anemia Test/Funds	July 1
HB 1286	Blue Ridge Destination Center Funds	June 24
HB 1296	Turnbull State Forest Funds	June 24
HB 1339	Technological Development Authority Funds	June 24
HB 1340	Technological Development Authority Capital Funds	June 24
HB 1379	New Hanover/Beaver Damage Funds	June 25
HB 1381	Junaluska Creek Damage Funds	June 25
HB 1411	Increase Fisheries Grant Program Administration Cap	June 25
HB 1416	Sedimentation Control Funds	June 25
HB 1423	Oregon Inlet Recommendations	July 2
HB 1436	Pan-American Games Funds	June 30
HB 1531	Home/Community Partnership Funds	July 1
HB 1535	Structural Pest Control Funds	June 30
HB 1536	Pesticide/Food Laboratories Funds	June 30
HB 1565	Environmental Farming Funds	June 30
HB 1566	Goodness Grows in NC Funds	June 30
HB 1631	White Oaks Mansion Funds	July 1

HB 1650	Food Safety Program Funds	July 2
HB 1651	Animal Waste Testing Funds	July 2
HB 1652	Multiflora Rose Control Funds	July 2
HB 1653	Pseudorabies Eradication Funds	July 2
HB 1681	Information Technology Trust Fund	July 1

BILL ACTION

The following is a list of bills that were considered by the House Appropriations Sub-Committee on Natural and Economic Resources during the 1998 Session. All information pertaining to the action taken on each bill can be found under the corresponding date tab.

HB 1492	Rural Infrastructure Bonds	June 18 June 25
HB 1704	Historic Waterfront Town Revitalization	June 17
SB 421	Homestead Property Tax Relief	October 19 October 21
SB 1193	Year 2000 Emergency Fund	June 11

BILLS POSTPONED INDEFINITELY

The following is a list of bills that were postponed indefinitely by the House Appropriations Sub-Committee on Natural and Economic Resources during the 1998 Session. Details can be found under tab for October 13.

HB 352	Hydrilla Eradication Funds
HB 489	Mountain State Fair Funds/AB
HB 639	Agricultural Loan Funds
HB 641	Affordable Housing Assistance Funds
HB 1103	Lake Norman/Wildfire Officer Funds
HB 1179	Economic Development Funds
HB 1250	Expand Marine Fisheries Commission
HB 1390	Funds for Low-Income Housing
HB 1531	Home/Community Partnership Funds
HB 1681	Information Technology Trust Fund
HB 1721	Lake Gaston State Park Study

BILLS NOT CONSIDERED

The following pages are signed copies of forms returned by the bill sponsor requesting that the bill not be considered by the House Appropriations Sub-Committee on Natural and Economic Resources. The original signed form was attached to the corresponding bill jacket in the House Principal Clerk's Office.

MEMORANDUM

TO: Representative Baker

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 31 COMPETITIVE GOVERNMENT INITIATIVE

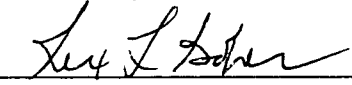
House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 31, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9/8/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Preston

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 252 CORE SOUND USE MAPPING

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please sign and date the form and return it to the Committee Clerk, Susan West, for the House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.

**** This bill was included in the Appropriations Act of 1998**

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Mr. Chairman:

I request that the above-mentioned House Bill # 252, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9/9/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Preston

FROM: Representatives Mitchell, Baker, and Carpenter

DATE: September 2, 1998

SUBJECT: House Bill 254 SHELLFISH REHABILITATION FUND

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West** for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

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Mr. Chairman:

I request that the above-mentioned House Bill # H254, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9/3/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Mitchell
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 274 LOW PRESSURE PIPE EMERG. FUND-2

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign** and **date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 274, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

W.B. Mitchell (Sign)
Representative

9/3/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Culp

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 334 NC TECHNOLOGICAL DEV. AUTH. FUNDS-2

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 334, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Archie Hupp (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Hill

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 359 SOIL/WATER ANALYSIS FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please sign and date the form and return it to the Committee Clerk, Susan West, for the House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 359, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Greg E. Hill (Sign)
Representative

9/8/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

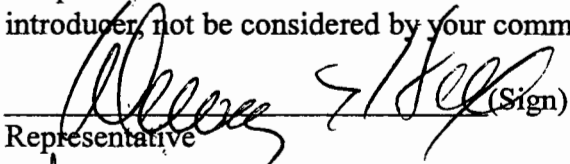
TO: Representative Hill
FROM: Representatives Mitchell, Baker, and Carpenter
DATE: September 2, 1998
SUBJECT: House Bill 360 AGRONOMIC ADVISORY FUNDS-2

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please sign and date the form and return it to the Committee Clerk, Susan West for the House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.

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Mr. Chairman:

I request that the above-mentioned House Bill # 360, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.



Representative (Sign)
Sept. 3, 1998 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Culp

FROM: Representatives Mitchell, Baker, and Carpenter

DATE: September 2, 1998

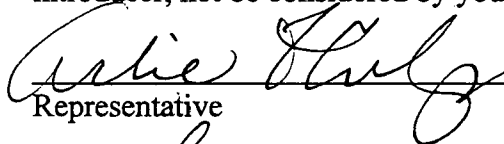
SUBJECT: House Bill 361 FORESTRY CLASSIFICATION FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill #361, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

Sept. 03 '98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Brown

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 365 ENVIRONMENTAL FARMING FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 365, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

John W. Brown (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Brown

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 366 PESTICIDE PROTECTION FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 366, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

John A. Brown (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Weatherly
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 369 NC BIOTECHNOLOGY CENTER FUNDS

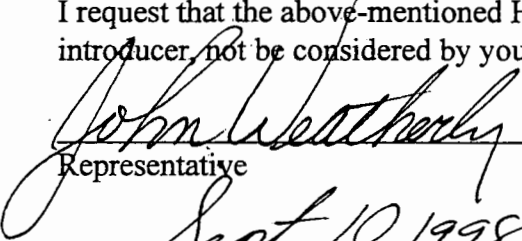
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**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 369, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

Sept. 10, 1998 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Yongue
FROM: Representatives Mitchell, Baker, and Carpenter
DATE: September 2, 1998
SUBJECT: House Bill 385 SALMONELLA TESTING FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

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Mr. Chairman:

I request that the above-mentioned House Bill # 385, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Don Yongue (Sign)
Representative

9/3/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Yongue
FROM: Representatives Mitchell, Baker, and Carpenter
DATE: September 2, 1998
SUBJECT: House Bill 386 AGRIC. INFO/TECH. NEEDS FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 386, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Clay Yongue (Sign)
Representative

9/3/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Yongue

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 540 NC BIOTECHNOLOGY CENTER FUNDS-2

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 540, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Clay Yongue (Sign)
Representative

9/9/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Aldridge
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 575 CRANIOFACIAL ANOMOLIES FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

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Mr. Chairman:

I request that the above-mentioned House Bill # 575, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

W. Henry Aldridge (Sign)
Representative

9/8/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Dickson
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 738 EQUINE INFECTIOUS ANEMIA FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please sign and date the form and return it to the Committee Clerk, Susan West, for the House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.

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Mr. Chairman:

I request that the above-mentioned House Bill # 738, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

W. Dickson (Sign)
Representative

9/8/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Hill
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 775 COLUMBUS ECONOMIC DEV. FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return it to the Committee Clerk, Susan West, for the House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 775, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Phewy P. Hill (Sign)
Representative

9/8/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative McComas

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

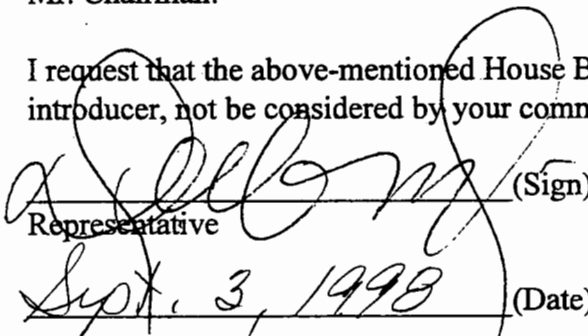
SUBJECT: House Bill 878 NC'S SOUTHEAST FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 878, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.



Representative

(Sign)

Sept. 3, 1998

(Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

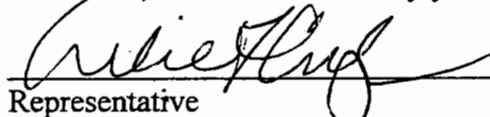
TO: Representative Culp
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 984 S & W SUPERVISOR HEALTH BENEFITS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, Susan West, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.**

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Mr. Chairman:

I request that the above-mentioned House Bill # 984, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Mercer

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

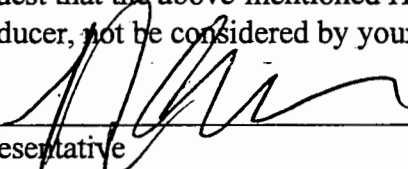
SUBJECT: House Bill 1000 FORESTRY FIRE PROTECTION FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1000, for which I am the principal introducer, ~~not~~ be considered by your committee for the 1997-98 legislative session.



Representative (Sign)

9.3.98

(Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Brown

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1043 FARM ENVIRONMENTAL COMPLIANCE FUND

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1043 for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

John W. Brown (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Insko
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 1147 AREA 3 SOIL & WATER FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1147, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Debra Insko (Sign)
Representative

9/3/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Mitchell

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1149 HOME OWNERSHIP FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1149, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

W. F. Mitchell (Sign)
Representative

9/3/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

#B 1161

MEMORANDUM

TO: Representatives Eddins, Watson, Hill
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 1161 FISHERIES REFORM ACT APPROP.

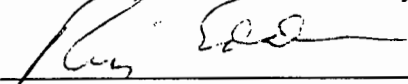
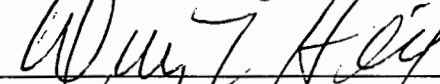
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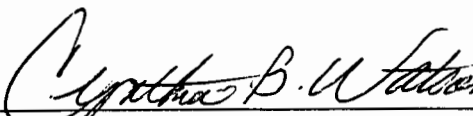
**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1161, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

	✓ (Sign)		(Sign) ✓
Representative		Representative	
<u>9/9/98</u>	(Date)	<u>9/9/98</u>	(Date)

	(Sign) ✓
Representative	
<u>9/16/98</u>	(Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Luebke

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

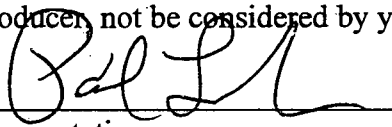
SUBJECT: House Bill 1164 OSHA ERGONOMIC STANDARDS FUND

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign** and **date** the form and **return** it to the Committee Clerk, Susan West, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1164, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9-8-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Brown

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1193 AGRICULTURAL FAIRS COMMITTEE/FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1193 for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

John W. Brown (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Culp
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 1339 NC TDA FUNDS

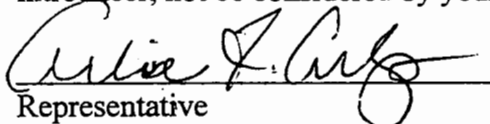
House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1339, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Culp
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 1340 NC TDA CAPITAL FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, Susan West, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1340, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Willie Long (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Hill

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1379 NEW HANOVER/BEAVER DAMAGE FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please sign and date the form and return it to the Committee Clerk, Susan West, for the House Appropriations Sub-Committee on Natural and Economic Resources in Room 638 by Wednesday, September 9, 1998.

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1379, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Ally P. Hill (Sign)
Representative

9/8/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Carpenter

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1381 JUNALUSKA CREEK DAMAGE FUNDS

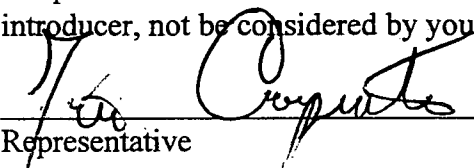
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**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1381, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9/9/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Preston
FROM: Representatives Mitchell, Baker, Carpenter
DATE: September 3, 1998
SUBJECT: House Bill 1411 INCREASE FISHERIES GRANT ADMIN. CAP

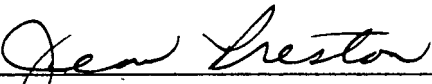
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**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1411, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9/9/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Hill

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1416 SEDIMENTATION CONTROL FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and return it to the Committee Clerk, Susan West, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1416, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Ray G. Kelly (Sign)
Representative

9/8/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Bowie

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1423 OREGON INLET RECOMMENDATIONS

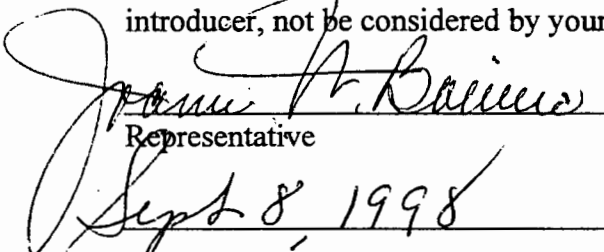
House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. — "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1423, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

Sept 8, 1998 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Ellis

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

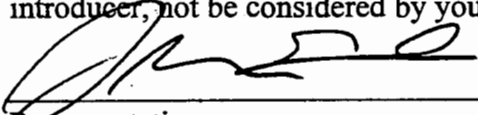
SUBJECT: House Bill 1436 PAN AMERICAN GAME FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, Susan West, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1436, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.



Representative (Sign)

9/8/98

(Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Brown

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1535 STRUCTURAL PEST CONTROL FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, Susan West, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1535 for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

John W. Brown (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Brown

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1536 PESTICIDE/FOOD LABORATORIES FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1536 for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

John W. Brown (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Mitchell

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1542 CTR FOR COMMUNITY SELF-HELP FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1542, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

W.F. Mitchell (Sign)
Representative

9/3/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Brown

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1565 ENVIRONMENTAL FARMING FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources** in Room 638 by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1565, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

Andy W. Brown (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Brown

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1566 GOODNESS GROWS IN NC FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1566 for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

John W. Brown (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Carpenter

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

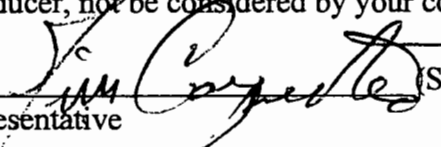
SUBJECT: House Bill 1650 FOOD SAFETY PROGRAM FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1650, for which I am the principal introducer, ~~not~~ be considered by your committee for the 1997-98 legislative session.



Representative (Sign)

9/9/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Carpenter

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1651 ANIMAL WASTE TESTING FUNDS

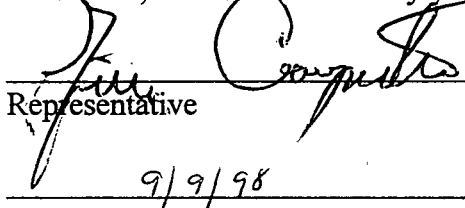
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**** This bill was included in the Appropriations Act of 1998**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1651, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9/9/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Carpenter

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

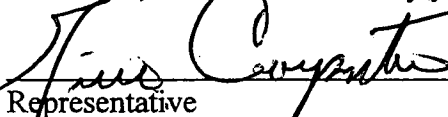
SUBJECT: House Bill 1652 MULTIFLORA ROSE CONTROL FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1652, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9/9/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Carpenter

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1653 PSEUDORABIES ERADICATION FUNDS

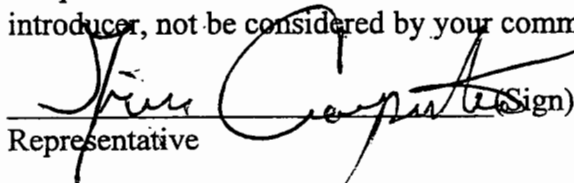
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**** This bill was included in the Appropriations Act of 1998**

oooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1653, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9/9/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative McMahan

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

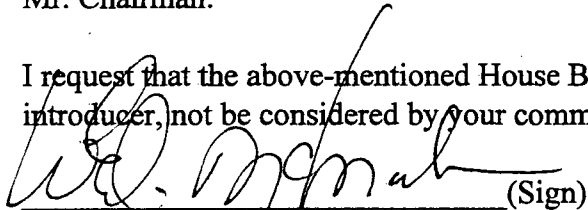
SUBJECT: House Bill 1631 WHITE OAKS MANSION FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1631, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)

Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Hardy

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1704 HISTORIC WATERFRONT REVITALIZATION

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1704, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

 (Sign)
Representative

9-9-98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Hardy

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1718 BEAUFORT/BEAVER DAMAGE FUNDS

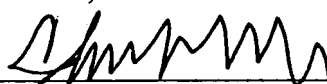
House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign and date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

**** This bill was included in the Appropriations Act of 1998**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1718, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.



Representative (Sign)

9.9.98

(Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

MEMORANDUM

TO: Representative Mitchell

FROM: Representatives Mitchell, Baker, Carpenter

DATE: September 3, 1998

SUBJECT: House Bill 1444 CONSERVATION EASEMENT FUNDS

House Rule 36 speaks to reporting bills out of standing committees or permanent subcommittees by the last adjournment of the 1997-98 legislative session. -- "All House bills and resolutions **shall be reported from** the standing committee or permanent subcommittee to which referred with such recommendations as the standing committee or permanent subcommittee may desire to make **except in the case where the principal introducer requests in writing to the Chair of the standing committee or permanent subcommittee that the bill not be considered.**" If it is your intent that the bill listed above not be considered by committee this legislative session, please **sign** and **date** the form and **return** it to the Committee Clerk, **Susan West**, for the **House Appropriations Sub-Committee on Natural and Economic Resources in Room 638** by **Wednesday, September 9, 1998.**

oooooooooooooooo

Mr. Chairman:

I request that the above-mentioned House Bill # 1444, for which I am the principal introducer, not be considered by your committee for the 1997-98 legislative session.

W.F. Mitchell (Sign)
Representative

9/3/98 (Date)

PLEASE DO NOT DETACH THE FORM FROM THE MEMORANDUM

Minutes

House Appropriations Sub-Committee on

Natural and Economic Resources

June 11, 1998 - 9:00 a.m.

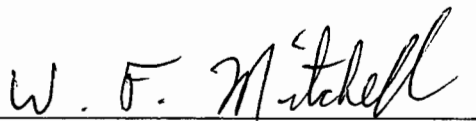
The House Appropriations Sub-Committee met on Thursday, June 11, 1998 at 9:00 a.m. in Room 605 of the Legislative Office Building. Representative Frank Mitchell, Co-Chair, called the meeting to order at 9:00 a.m. Members present were Representatives Mitchell, Baker, Carpenter, Owens, Allen, Culp, Fox, Hall, Tolson and Weatherly. Representative Holmes was also present.

After introductions, the proposed committee substitute for Senate Bill 1193 entitled Year 2000 Emergency Fund was explained by Gann Watson of the Bill Drafting Division (see Attachment A & B). Representative Hall asked why were there changes made in transferring the funds. Mark Trogdon of the Fiscal Research Division replied the change refers to the transfer of a cash balance (\$14 million) within the Department of Commerce (from SIPS). Representative Hall asked about the transfer regarding the Department of Transportation. Mr. Trogdon replied the transfer refers to an expected reversion (\$6.8 million) in the highway fund. Representative Baker asked if the transfer of funds in the Department of Transportation have any impact on the completing of highway projects. Mr. Trogdon explained the purpose was to transfer funds to the Department of Commerce because they are administering the program but didn't know if this would affect highway projects. J.W. Reel of the Office of State Budget further noted it could have some impact but not a great impact. Mr. Lynn Muchmore of the Fiscal Research Division explained the reason to change the language was due to concern of a shortage of money in the Department of Transportation. Representative Baker asked if the change in the language (Section 4) removes the discretion of the director of the budget to transfer funds from federal receipts. Mr. Trogdon replied it removes the discretion of transferring funds from agency to agency. Representative Culp asked what happens to the other applications. Regarding line 12 on page 1, Debra Jones, Director of Year 2000 Project in SIPS, replied that refers to newer technology. Representative Carpenter asked if the conversion will be completed by the year of 2000. Ms. Jones explained the progress of the program, why the cost may change, and the legal issues. Representative Mitchell asked why elevators will be affected. Ms. Jones replied elevators have microchips embedded in their systems which monitor their maintenance and this could cause them to become inoperable. She noted medical equipment such as defibrillators work the same way. Representative Carpenter asked what will happen if the deadline isn't met. Ms. Jones replied some systems can be fixed or/and replaced, and the impact plan has been accounted for if a particular system fails.

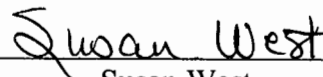
Representative Baker made a motion to adopt the proposed committee substitute. By voice vote, the motion carried. Representative Baker also made a motion to give the committee substitute of Senate Bill 1193 a favorable report, unfavorable to the original bill with direct referral to the floor of the House. By voice vote, the motion carried.

The Sub-Committee adjourned at 9:15 a.m.

Respectfully submitted,



Frank Mitchell
Co-Chair



Susan West
Clerk

VISITOR REGISTRATION SHEET

APP/NER

June 11, 1998

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY
1. <u>Sandra Delivio</u>	<u>DENR</u>
2. <u>Pat LaBarbera</u>	<u>Commerce</u>
3. <u>Robt Dorell</u>	<u>OSBM</u>
4. <u>DEBRA JONES</u>	<u>Y2K/COMMERCE</u>
5. <u>William Wong</u>	<u>Intern</u>
6. <u>Carrie Altman</u>	<u>Intern</u>
7. <u>Agnie Minkowski</u>	<u>Fiscal Research</u>
8. <u>O. W. Reed</u>	<u>OSBM</u>
9. <u>Johnny Gray</u>	<u>OSBM</u>
10. <u>Spencer Walters</u>	<u>OSBM</u>
11. <u>[Signature]</u>	<u>off. of the Gov.</u>
22. _____	_____
23. _____	_____
24. _____	_____
25. _____	_____
26. _____	_____
27. _____	_____
28. _____	_____
29. _____	_____
30. _____	_____
31. _____	_____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

2

SENATE BILL 1193

Appropriations Committee Substitute Adopted 6/4/98

Short Title: Year 2000 Emergency Appropriation.

(Public)

Sponsors:

Referred to:

May 20, 1998

A BILL TO BE ENTITLED

1 AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST
2 OF THE GOVERNOR, TO COVER THE COSTS OF THE YEAR 2000
3 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES.

4 Whereas, many existing computer systems will not operate properly at the
5 turn of the century; and

6 Whereas, this problem, which is known as the "Year 2000 Problem" is
7 estimated to cost between three hundred and six hundred billion dollars on a national
8 basis; and

9 Whereas, the cost for the federal government alone is estimated at four
10 billion dollars; and

11 Whereas, in State government agencies, 755 out of 1347 existing
12 applications will not operate properly with a year 2000 date; and

13 Whereas, major State computer systems such as the tax entry system, the
14 Food Stamp Program system, the Work First and Medicaid systems, the salary
15 administration system at a major State agency, and the student admissions system at a
16 State university, will not operate properly with a year 2000 date; and

17 Whereas, State assets other than computers including elevators, security
18 systems, traffic lights, and HVAC systems, will not operate properly at the turn of the
19 century; and

20 Whereas, because of the scope of the problem in both the public and the
21 private sector, there is a shortage of programmers able to solve the State Year 2000
22 problem; and
23

1 Whereas, the Executive Budget Act authorizes the General Assembly to
2 make an emergency appropriation to the Program for the 1997-98 fiscal year upon
3 the request of the Governor; and

4 Whereas, the Governor has made such a request in a letter to the
5 President Pro Tempore of the Senate and the Speaker of the House of
6 Representatives; and

7 Whereas, an emergency appropriation would allow for uninterrupted year
8 2000 conversion for State agencies; and

9 Whereas, an emergency appropriation would avoid price increases that
10 may occur should vendor availability diminish due to delays in contracting; and

11 Whereas, an emergency appropriation would allow State agencies to meet
12 the conversion deadlines in order to begin testing in the 1999 calendar year; and

13 Whereas, an emergency appropriation would provide for continued
14 conversion activity by all vendors currently under contract and would enable State
15 agencies to avoid time delays associated with new vendors; Now, therefore,
16 The General Assembly of North Carolina enacts:

17 Section 1. There is appropriated from the General Fund to the
18 Department of Commerce, Year 2000 Reserve Fund, the sum of twenty million five
19 hundred six thousand three hundred sixty-seven dollars (\$20,506,367) for the 1997-98
20 fiscal year to cover the costs of the year 2000 conversion in General Fund agencies
21 during the 1997-99 fiscal biennium.

22 Section 2. From funds appropriated to the Department of Transportation
23 for the 1997-98 fiscal year, the sum of six million eight hundred forty thousand six
24 hundred thirty dollars (\$6,840,630) shall be transferred to the Department of
25 Commerce, Year 2000 Reserve Fund, to cover the costs of the year 2000 conversion
26 in Highway Fund agencies during the 1997-99 fiscal biennium. If funds are not
27 available for this purpose, the Director of the Budget shall advance funds from the
28 General Fund to cover any required expenditures until highway funds are available.

29 Section 3. The State Information Processing System may transfer up to
30 fourteen million dollars (\$14,000,000) for the 1997-98 fiscal year from its receipts for
31 testing and data processing service charges to the Department of Commerce, Year
32 2000 Reserve Fund, to cover the costs of the year 2000 conversion.

33 Section 4. The Director of the Budget may transfer funds from federal
34 receipts and other agency receipts for the 1998-99 fiscal year to the Department of
35 Commerce, Year 2000 Reserve Fund, to cover the costs of the year 2000 conversion.

36 Section 5. This act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 1193

Appropriations Committee Substitute Adopted 6/4/98

Proposed House Committee Substitute - S1193-PCSLN-001

ATTENTION: LINE NUMBERS MAY CHANGE AFTER ADOPTION.

Short Title: Year 2000 Emergency Appropriation.

(Public)

Sponsors:

Referred to:

May 20, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE AN EMERGENCY APPROPRIATION, ON THE REQUEST
3 OF THE GOVERNOR, TO COVER THE COSTS OF THE YEAR 2000
4 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES.

5 Whereas, many existing computer systems will not operate properly at the
6 turn of the century; and

7 Whereas, this problem, which is known as the "Year 2000 Problem" is
8 estimated to cost between three hundred and six hundred billion dollars on a national
9 basis; and

10 Whereas, the cost for the federal government alone is estimated at four
11 billion dollars; and

12 Whereas, in State government agencies, 755 out of 1347 existing
13 applications will not operate properly with a year 2000 date; and

14 Whereas, major State computer systems such as the tax entry system, the
15 Food Stamp Program system, the Work First and Medicaid systems, the salary
16 administration system at a major State agency, and the student admissions system at a
17 State university, will not operate properly with a year 2000 date; and

18 Whereas, State assets other than computers including elevators, security
19 systems, traffic lights, and HVAC systems, will not operate properly at the turn of the
20 century; and

Whereas, because of the scope of the problem in both the public and the private sector, there is a shortage of programmers able to solve the State Year 2000 problem; and

Whereas, the Executive Budget Act authorizes the General Assembly to make an emergency appropriation to the Program for the 1997-98 fiscal year upon the request of the Governor; and

Whereas, the Governor has made such a request in a letter to the President Pro Tempore of the Senate and the Speaker of the House of Representatives; and

Whereas, an emergency appropriation would allow for uninterrupted year 2000 conversion for State agencies; and

Whereas, an emergency appropriation would avoid price increases that may occur should vendor availability diminish due to delays in contracting; and

Whereas, an emergency appropriation would allow State agencies to meet the conversion deadlines in order to begin testing in the 1999 calendar year; and

Whereas, an emergency appropriation would provide for continued conversion activity by all vendors currently under contract and would enable State agencies to avoid time delays associated with new vendors; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Department of Commerce, Year 2000 Reserve Fund, the sum of twenty million five hundred six thousand three hundred sixty-seven dollars (\$20,506,367) for the 1997-98 fiscal year to cover the costs of the year 2000 conversion in General Fund agencies during the 1997-99 fiscal biennium.

Section 2. From funds appropriated to the Department of Transportation for the 1997-98 fiscal year, the sum of six million eight hundred forty thousand six hundred thirty dollars (\$6,840,630) shall be transferred to the Department of Commerce, Year 2000 Reserve Fund, to cover the costs of the year 2000 conversion in Highway Fund agencies during the 1997-99 fiscal biennium. If funds are not available for this purpose, the Director of the Budget shall advance funds from the General Fund to cover any required expenditures until highway funds are available.

Section 3. The State Information Processing System may transfer up to fourteen million dollars (\$14,000,000) for the 1997-98 fiscal year from its receipts for testing and data processing service charges to the Department of Commerce, Year 2000 Reserve Fund, to cover the costs of the year 2000 conversion.

Section 4. Beginning October 1, 1998, and quarterly thereafter, the Department of Commerce shall report to the Joint Legislative Commission on Governmental Operations and to the House and Senate Appropriations Subcommittees on Natural and Economic Resources on the status of the Year 2000 conversion, expenditure of funds from the Year 2000 Reserve Fund, and time lines and cost projections for full implementation of the Year 2000 conversion. The Director of the Budget shall report to the Joint Legislative Commission on Governmental Operations advancements made from the General Fund to cover expenditures required for year 2000 conversion in Highway Fund agencies.

1

Section 5. This act is effective when it becomes law.

**1998 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representatives Mitchell, Baker, Carpenter for the Permanent Subcommittee on Natural and
Economic Resources of the Standing Committee on APPROPRIATIONS.

X Committee Substitute for

S.B. 1193

☐ A BILL TO BE ENTITLED AN ACT TO MAKE AN
EMERGENCY APPROPRIATION, ON THE REQUEST OF THE GOVERNOR, TO COVER THE
COSTS OF THE YEAR 2000 CONVERSION IN ALL STATE DEPARTMENTS AND AGENCIES.

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the
Committee on
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill which changes the
title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which
changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: -----

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY
TO THE FLOOR OF THE HOUSE:

Rep. Holmes for the Standing Committee on APPROPRIATIONS.

s/ George Holmes

- ☐ With a favorable report.
- ☐ With a favorable report, as amended
- ☒ With a favorable report as to committee substitute bill (# HOUSE), ☐ which changes the title,
unfavorable as to original bill (Committee Substitute Bill # SENATE) (and recommendation that the
committee substitute bill (# SENATE) be referred to the Committee on -----)
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

3/25/98

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES

JUNE 17, 1998

The House Appropriations Subcommittee on Natural and Economic Resources met at 8:30 a.m. on June 17, 1998 in Room 605 in the Legislative Office Building.

Representative Jim Carpenter presided and the following members were present: Representatives Mitchell and Baker, Co-Chairs; Representatives Allen, Culp, Fox, Hall, H. Hunter, Owens, Tolson, and Weatherly. Visitor registration sheet is attached and made part of the minutes.

Chairman Carpenter recognized the Pages serving the Committee and welcomed guests. He then called for the first item on the agenda.

Representative Sandy Hardy, bill sponsor, was recognized to explain HB 1704 - Historic Waterfront Town Revitalization. This bill would help provide funds for planning committees to help develop destinations for tourists to visit.

Chairman Carpenter turned to gavel over to Representative Owens. Rep. Owens recognized Bunny Sanders, Mayor of Roper to speak in support of the bill. Ross Steckley, Executive Director - Washington Country Economic Development Corporation Brought an aerial map of Plymouth and a map of the navigable waterways with towns highlighted that might be impacted by this legislation. He pointed out that towns as far as 140 miles inland could be affected. Jane Alligood with the Planning Board for the City of Washington stressed the impact this legislation could have on the development of smaller towns. Rep. Hardy wrapped up emphasizing the need for this legislation.

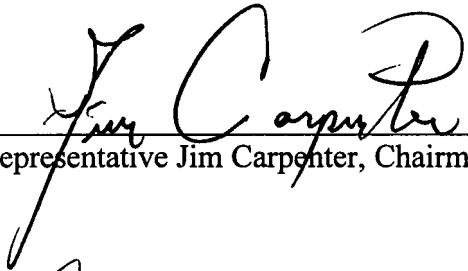
Renne' Vance, from Cultural Resources spoke in support of the bill although she said Section 2 of the bill gives the department some concerns in giving priority to grants for waterfront projects.

Rep. Hall made a motion to substitute the word "may" instead of "shall". Rep. Hardy expressed his opposition. Rep. Tolson spoke in favor of the motion including making it priority for Tier 1 and 2 counties.

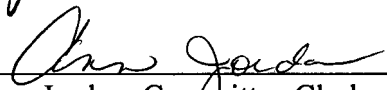
John Burnt, Assistant Director with the Department of Commerce addressed some concerns with the bill. One change he felt was needed was to change municipality to local governments. Ruth Sappie from DOT also had some concerns regarding the "shall" language of the bill.

Fred Hines from Plymouth asked to be recognized to speak in support of the bill. Joe McClees also spoke in support of the bill.

After discussion of some possible amendments from committee members and clarification from staff on some of the items, the meeting adjourned at 9:40 a.m.



Representative Jim Carpenter, Chairman



Ann Jordan, Committee Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1704

Short Title: Historic Waterfront Town Revitalization.

(Public)

Sponsors: Representatives Hardy, Preston, Mitchell; and H. Hunter.

Referred to: Appropriations.

June 1, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO ENCOURAGE REVITALIZATION OF HISTORIC WATERFRONT
3 TOWNS.

4 The General Assembly of North Carolina enacts:

5 Section 1. Part 2 of Article 10 of Chapter 143B of the General Statutes is
6 amended by adding a new section to read:

7 "§ 143B-434.3. Historic waterfront revitalization initiative.

8 (a) Planning Stage. -- A municipality is eligible for planning grants for a proposed
9 revitalization project as provided in this section if it meets both of the following
10 conditions:

11 (1) The proposed revitalization project is located in a National
12 Register Historic District or includes the rehabilitation of a
13 certified historic structure as defined in G.S. 105-130.42.

14 (2) The area of the proposed revitalization project is either contiguous
15 to a navigable waterway or connected to a navigable waterway by a
16 pedestrian walkway or alternative vehicular access trail that is
17 natural, historically significant, or both.

18 (b) Final Stage. -- A municipality that meets the planning stage conditions becomes
19 eligible for the remaining benefits provided in this section if it also meets all of the
20 following conditions:

21 (1) The municipality has adopted a strategic plan and conducted a
22 feasibility study for the proposed revitalization project and has
23 allowed community participation in the development of the
24 strategic plan.

(2) The municipality has identified a lead developer who will develop a business plan to implement at least sixty-five percent (65%) of the strategic plan and who will provide an economic impact study of the proposed revitalization project.

(3) The lead developer's business plan reflects at least two million dollars (\$2,000,000) in capital investment and demonstrates that it will result in all of the following:

a. Entrepreneurial opportunities.

b. Opportunity for local vested interest.

c. Employment opportunities for recipients of Work First Program assistance as defined in Chapter 108A of the General Statutes.

d. Opportunities for minority participation.

e. Cooperation and coordination with community organizations and government agencies.

f. Regional benefits.

g. Heritage related tourism or eco-tourism.

(c) Application. -- A municipality may apply to the Department of Commerce for certification of planning stage eligibility or of final stage eligibility for the benefits provided in this section with respect to a revitalization project. The application must include all information required by the Department to determine the eligibility of the municipality and be accompanied by a fee of one hundred dollars (\$100.00). The Department of Commerce shall determine the municipality's eligibility within 60 days after the application is submitted.

(d) Planning Grants. -- The Department of Commerce shall assist an eligible planning stage municipality in obtaining planning grants in order to meet the conditions of subsection (b) of this section. The Department of Commerce shall give priority consideration to applications submitted by eligible planning stage municipalities with respect to proposed revitalization projects for planning grants and loans administered by or through the Department of Commerce.

(e) Clearinghouse. -- The Department of Commerce shall act as a clearinghouse and advocate for eligible municipalities with respect to proposed revitalization projects. The Department shall receive and coordinate each eligible municipality's applications for grants, loans, and permits from all State and federal agencies. The Department shall forward each application to the appropriate agency and notify the agency whether the eligible municipality qualifies for priority consideration.

(f) Technical Assistance. -- The Department of Commerce shall provide technical assistance to eligible municipalities in preparing State and federal grant and loan applications with respect to the proposed revitalization project.

(g) Priority. -- The Department of Commerce shall give priority consideration to applications submitted by eligible municipalities with respect to proposed revitalization projects for grants and loans administered by or through the Department of Commerce, including Community Empowerment Funds. In addition, the Department of Commerce shall assure that the Microenterprise Loan Program

1 administered by the Rural Economic Development Center, Inc., assigns priority to
2 applications from entrepreneurs within an eligible municipality who would own
3 businesses that enhance the municipality's appeal as a tourist destination."

4 Section 2. Part 1 of Article 2 of Chapter 143B of the General Statutes is
5 amended by adding a new section to read:

6 **"§ 143B-53.1. Priority for historic waterfront projects.**

7 In awarding grants and loans, the Department of Cultural Resources shall give
8 priority consideration to qualifying applications submitted by eligible municipalities
9 with respect to proposed historic waterfront revitalization projects, as defined in G.S.
10 143B-434.3."

11 Section 3. G.S. 138-18 is amended by adding a new subdivision to read:

12 "(35) The Department of Transportation in the exercise of its powers
13 granted in subdivisions (12), (12a), and (15) of this subsection shall
14 give priority consideration for grants and loans administered
15 through the Department of Transportation, including all applicable
16 federal funds, to applications submitted by eligible municipalities
17 with respect to proposed historic waterfront revitalization projects
18 as defined in G.S. 143B-434.3."

19 Section 4. G.S. 158-8.2 is amended by adding a new subsection to read:

20 "(i) The Commission shall set aside twenty percent (20%) of the funds
21 appropriated to it each fiscal year for planning grants to eligible planning stage
22 municipalities for planning proposed historic waterfront revitalization projects, as
23 defined in G.S. 143B-434.3. Planning grants to eligible municipalities may not exceed
24 thirty thousand dollars (\$30,000) and must be matched by the municipality on the
25 basis of one dollar (\$1.00) of local funds for every five dollars (\$5.00) of Commission
26 funds. If, after the expiration of two years after funds were set aside under this
27 subsection for a fiscal year, the funds have not been used as required by this section
28 because of a lack of applications from eligible municipalities, the Commission may
29 use those funds for other purposes authorized by this section. The Commission shall,
30 however, continue to set aside twenty percent (20%) of its appropriations each fiscal
31 year as required by this subsection."

32 Section 5. G.S. 158-8.3 is amended by adding a new subsection to read:

33 "(g) The Commission shall set aside twenty percent (20%) of the funds
34 appropriated to it each fiscal year for planning grants to eligible planning stage
35 municipalities for planning proposed historic waterfront revitalization projects, as
36 defined in G.S. 143B-434.3. Planning grants to eligible municipalities may not exceed
37 thirty thousand dollars (\$30,000) and must be matched by the municipality on the
38 basis of one dollar (\$1.00) of local funds for every five dollars (\$5.00) of Commission
39 funds. If, after the expiration of two years after funds were set aside under this
40 subsection for a fiscal year, the funds have not been used as required by this section
41 because of a lack of applications from eligible municipalities, the Commission may
42 use those funds for other purposes authorized by this section. The Commission shall,
43 however, continue to set aside twenty percent (20%) of its appropriations each fiscal
44 year as required by this subsection."

1 Section 6. There is appropriated from the General Fund to the
2 Department of Commerce, Division of Community Assistance, the sum of seven
3 hundred fifty thousand dollars (\$750,000) to be used for grants to eligible
4 municipalities for historic waterfront town revitalization projects and related
5 planning, as provided in G.S. 143B-434.3 and G.S. 143B-434.4, as enacted by this act.

6 The Division of Community Assistance shall administer these funds as
7 planning grants to eligible planning stage municipalities under G.S. 143B-434.3 and as
8 project grants and loans for eligible municipalities with respect to proposed
9 revitalization projects under G.S. 143B-434.3. The Division shall award grants based
10 on substantive criteria and guidelines consistent with G.S. 143B-434.3, administered
11 objectively. The Division of Community Assistance shall report to the Joint
12 Legislative Commission on Governmental Operations and to the Fiscal Research
13 Division on its awards of planning grants and project loans and grants under this
14 section.

15 Section 7. This act becomes effective July 1, 1998.

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural & Economic Resources

June 17, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Jane Alligood	Planning Bd City of Washington Nc
Benny Sanders	Mayor, Roper, N.C.
Ross M. STECKLEY	WASHINGTON COUNTY - EDC.
Fred Hines	Vice Chairman Republican Party West Co.
Renne Vance	Dept. of Cultural Resources

Minutes
House Appropriations Sub-Committee on
Natural and Economic Resources
June 18, 1998 - 9:00 a.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met Thursday, June 18, 1998 at 9:00 am. in Room 605 of the Legislative Office Building. Representative Frank Mitchell, House-Co-Chair, called the meeting to order at 9:10 a.m. in order to give Representative Carpenter, Co-Sponsor of the bill to be discussed today, time to finish at another meeting. Members present were: Representatives Mitchell, Baker, Carpenter, Owens, Allen, Culp, Fox, Hall, Tolson, and Weatherly.

Representative Mitchell stated that the purpose of the meeting today is to discuss HB 1492 Committee Substitute, AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES. A motion was made by Representative Tolson for the committee to consider HB 1492 Committee Substitute for discussion. Motion passed.

Representative Carpenter noted that HB 1492 would provide a \$1 billion bond for the financing of Infrastructure across North Carolina in a form of sewer and water and natural gas. Bill and explanation are attached to these minutes. Representative Carpenter reviewed the explanation and noted the bond proceeds are to be allocated as follows:

\$465 million to provide State matching funds for federal moneys and to provide grants to local government units for water and sewer needs.

\$320 million dollars to provide loans to local government units for water and sewer needs.

\$215 million to provide grants, loans, or other financing to natural distribution companies, persons seeking natural gas distribution franchises, State or local government agencies, or other entities for construction of natural gas facilities.

Representative Carpenter stated that the bill has come about from several studies that have been done in the past by some agencies. We have been told that at a very conservative estimate that there are \$11 billion needs across North Carolina for sewer and water and natural gas to get us up-to-date. A \$1 billion bond bill will not solve that problem, but we are hoping this will be a beginning whereby we would be able to continue at State government through a process of identifying revenue sources that may be dedicated to this issue in future years of the General Assembly. This is something that

should have been done 40 years ago. It has been put off until the gap between rural North Carolina and urban and metropolitan North Carolina as far as economic development has widened so far apart that we do not have parity and equity across the state of North Carolina. For the citizens of this State and for North Carolina to be successful, we have to bring that gap closer together as far as economics and the economy of the citizens of our state. He noted that the Senate has a companion bill and passed it out of the Senate Finance Committee this week. They had some opposition. The Association of County Commissioners, the League of Municipalities, NCCBI, Engineers Association of North Carolina, the state agencies, the Governor, and everyone involved with the discussion process with the House Select Committee are supportive of the bill wholeheartedly. There will be an opportunity to change some of the individual figures in this bill. The Senate's bill is not exactly like ours. We think our bill addresses the needs and situation across North Carolina as far as economic development and environmental health better than the Senate's bill does. We will work with the Senate any way we need to. All the support we have had for this bill for the past months, has now become great expectation. Everyone who has said that they want it are saying we have supported and have told you that rural North Carolina, urban and metropolitan North Carolina that economic development and the rural health in North Carolina is a very important thing. That is the basic issue for everything else that happens in North Carolina, whether it be education or children's issues, etc. They are expecting us to do something with it. He noted he would answer any questions and there are agency people and staff that will be available to answer any specific questions that you may have.

Representative Mitchell turned the meeting over for questions and noted that Steve Rose, with the Utilities Commission, was in attendance, and he has been well-informed on all issues before the Utilities Commission.

Representative Culp asked if gas and clean water are two separate issues or they the same and asked if we vote for both or separately. Representative Carpenter noted it was his understanding that because of the bond attorney's recommendations on this, there may be two questions on the ballot. He called on Steve Rose to answer. Mr. Rose stated there are two questions. One is for the natural gas and the other is for clean water bonds. Representative Fox asked if natural gas were included in the Senate bill, and Representative Carpenter replied that it was, but their natural gas figure is lower than ours. Representative Owens noted that Representative Carpenter had been referring to a lot of money being for rural North Carolina but felt there is a lot of money for urban North Carolina also calling attention to the \$80 million for wastewater and water supply which is listed on the handout. It is desperately needed. You need basic infrastructure to lure jobs and expand jobs in North Carolina. Representative Carpenter expressed how pleased he is with the bill and being able to do something for the people of North Carolina. There has not been very much economic development in the rural areas and will try not to make this seem competitive between rural, urban, and metropolitan North Carolina. One thing is transportation problems that the heavily population areas have across the state of North Carolina. It would also help clean the air situations. It will help the possibility of people continuing to have to build additional schools each year. There

is a lot of direct tangible money in this bill for urban and metropolitan and rural. We are not competing with anyone. We are not competing with the Department of Transportation with this bill. We want to enhance the things they are already doing.

Representative Allen asked for an explanation on Section 5. (1) b. Hardship Grant Projects, page 6 of the bill which lists \$20 million reserved to fund hardship grant projects in accordance with the guidelines established by the United State EPA Hardship Grants Program. Representative Carpenter noted that Hardship Grants would go to areas that are depressed, where a town or county is not able to vote on bond to enhance their infrastructure or places where there is no infrastructure. It is extreme cases, such as across North Carolina, there are many cities that are on moratoriums that cannot get expansion in order to move their community along.

Representative Weatherly had a question about Section 18 where it states it that Section 14 of this act becomes effective only if the bond referendum passes. He asked if referendum would be on the November election and Mr. Rose explained that it would.

Representative Mitchell called attention to page 27, starting on line 6 regarding natural gas, and Mr. Rose explained that this section has a number of provisions for natural gas. One which provides that gas companies seeking franchise and don't provide service during a certain period of time, lose the franchise. This would allow someone else coming in to put gas in to one of those areas. It would give them a franchise in that particular area. The way the statutes reads now it could be interpreted to mean that they would let them into the area to part of the county they want to serve but not give them a franchise for the whole county. It might be economically imperative that someone coming in to look to serve the whole county. Representative Mitchell asked how many methyl gas companies are there in North Carolina, and Mr. Rose stated there are four gas companies with franchises in North Carolina.

Representative Baker commented on frontier, and noted that they moved in and the Utilities Commission approved rates that are 20 to 35 percent higher than the rest of the state. He noted his view with rate structure like that, they are better off without natural gas. These bonds will try to get natural gas in areas not served at a competitive price that would allow them to prosper and not to be hamstrung with a high rate structure as they are in six counties in his part of the state. Representative Mitchell asked if they had gas lines already installed, and Representative Baker replied that they have broken ground. Representative Hall asked once a gas line is run into a community, who is going to own the gas lines. Representative Carpenter replied that gas companies will eventually own the gas lines. The service will be provided to any individual, homeowner that is there, and any industry that will come into that area. Representative Hall asked if there were a provision to require them to furnish the gas at an equitable rate as they do somewhere else. At this time, Gisele Rankin, staff attorney with the Public Staff, noted that the way rate making works if the private company didn't make the investment it could not order return on it and it couldn't recover depreciation on it so the extent the money for project is divided by the bond bill, the rates would be more because it would

not be earning a returned depreciation to be recovered on. The private company could only recover depreciation and earn a return on it individually. That would make the rates lower.

Representative Fox asked what part of the \$215 million allocation of bond under the natural gas service would be for grant and what would be for loans. Representative Carpenter replied there had not been any differentiation between the grants and loans. Representative Fox asked who would make that decision, and Representative Carpenter replied that the Commission will oversee the distribution of funds according to the gas company's need for the service area they will be requesting and going into. Ms. Rankin stated there is also the IRS tax issue. The decision will be made later so we can work with the IRS to get favorable report to make the funds not taxable. It was noted that the Utilities Commission would make that decision.

Representative Culp noted that schools are being built in rural areas and are not being furnished water by municipalities and asked would they be able to benefit from some of this money, and Representative Carpenter replied they could benefit when county or town receives grant or loan and put them on their system.

At this time, the following attendees were introduced and each stated their full support of the bill: Leslie Bevacqua, Business and Industry; Andy Romanet, League of Municipalities, NC; Billy Ray Hall, Rural Center.

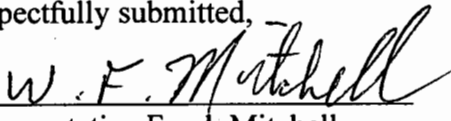
There was no action taken on this bill. Representative Mitchell replied that he would make technical corrections in the bill and bring back to committee and get a vote and probably then go to Finance.

Representative Carpenter gave special thanks and credit to Representatives Baker, Owens, Bobby Hunter, Howard Hunter, Watson, Buchanan, Bonner, and Wilson. All of these people worked on the House Select Committee to draft the bill and, and this committee worked with the Senate and Governor's office and agencies.

Representative Mitchell stated that Representative Holmes wants to turn over all the bills on Monday night. Starting next Tuesday morning, at 8:30, NER will be meeting to hear all the bills that are assigned to the committee. We will not be voting on the bills because we don't know the available funds, but we do want to review each bill. At the proper time, the committee will be voting on the bills.

There being no further business, the meeting was adjourned at 9:35 a.m.

Respectfully submitted,


Representative Frank Mitchell
House Co-Chair


Jo Hinton
Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

June 18, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

[illegible]

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

2

HOUSE BILL 1492
Committee Substitute Favorable 6/17/98

Short Title: Rural Infrastructure Bonds.

(Public)

Sponsors:

Referred to:

May 25, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION
3 BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED
4 VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL
5 INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND
6 LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY
7 SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER
8 TREATMENT WORKS, AND WATER CONSERVATION AND WATER
9 REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER
10 FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF
11 NATURAL GAS FACILITIES.
12 The General Assembly of North Carolina enacts:
13 Section 1. Short title. This act shall be known as the "Rural
14 Infrastructure Bond Act of 1998".
15 Section 2. Purpose. It is the intent of the General Assembly by this act
16 to provide for the issuance of general obligation bonds of the State and to provide
17 that the proceeds realized from the sale of the bonds shall be allocated as follows:
18 (1) \$465,000,000 to provide State matching funds required to receive
19 federal wastewater or water supply assistance funds and to provide
20 additional funding for the Clean Water Revolving Loan and Grant
21 Fund established in Chapter 159G of the General Statutes or to
22 provide funding by grants to local government units;

- 1 (2) \$320,000,000 to provide loans to local government units to finance
2 all or a portion of the cost of construction, improvements,
3 enlargements, extensions, and reconstruction of water supply and
4 distribution systems, wastewater collection systems, wastewater
5 treatment works, water conservation projects and water reuse
6 projects; and
7 (3) \$215,000,000 to provide grants, loans, or other financing to natural
8 gas local distribution companies, persons seeking natural gas
9 distribution franchises, State or local government agencies, or other
10 entities for construction of natural gas facilities.

11 Section 3. Definitions. As used in this act, unless the context otherwise
12 requires:

- 13 (1) "Bond Rating" means a numerical rating of a unit of local
14 government developed by the North Carolina Municipal Council,
15 Inc. The rating formula is based on 100 being a theoretically
16 'perfect' unit of government and is an assessment of the
17 creditworthiness of the unit. Units of local government with rating
18 below 75 or with no ratings are generally considered to be
19 'nonbank eligible' and such communities therefore have limited, if
20 any, access to the private market for financing water and sewer or
21 other debt.
22 (2) "Bonds" means bonds issued under this act.
23 (3) "Capital Improvement Plan" means a report that identifies water
24 and sewer infrastructure and capital needs that address planned
25 and strategic growth. It includes an assessment of current water
26 and wastewater systems and a projection of those infrastructure
27 needs over a 20-year horizon. The report takes into consideration
28 government mandates, usefulness of the improvements to the
29 community and the effect on both short and long-term operation
30 and maintenance of the scheduled improvements and identifies
31 alternatives for meeting the identified need including
32 regionalization, consolidation and system mergers, water reuse and
33 conservation.
34 (4) "Clean Water Revolving Loan and Grant Act" means Chapter 796
35 of the 1987 Session Laws, as amended from time to time, codified
36 as Chapter 159G of the General Statutes.
37 (5) "Clean Water Revolving Loan and Grant Fund" means the Clean
38 Water Revolving Loan and Grant Fund as defined in the Clean
39 Water Revolving Loan and Grant Act.
40 (6) "Cost" means, without intending thereby to limit or restrict any
41 proper definition of this term in financing the cost of facilities or
42 purposes authorized by this act:

- a. The cost of constructing, reconstructing, enlarging, acquiring, and improving facilities, and acquiring equipment and land therefor,
- b. The cost of engineering, architectural, and other consulting services as may be required,
- c. Administrative expenses and charges,
- d. Finance charges and interest prior to and during construction and, if deemed advisable by the State Treasurer, for a period not exceeding two years after the estimated date of completion of construction,
- e. The cost of bond insurance, investment contracts, credit enhancement and liquidity facilities, interest-rate swap agreements or other derivative products, financial and legal consultants, and related costs of bond and note issuance, to the extent and as determined by the State Treasurer,
- f. The cost of reimbursing the State for any payments made for any cost described above, and
- g. Any other costs and expenses necessary or incidental to the purposes of this act.

Allocations in this act of proceeds of bonds to the costs of a project or undertaking in each case may include allocations to pay the costs set forth in items c., d., e., f., and g. in connection with the issuance of bonds for the project or undertaking.

- (7) "Credit Facility" means an agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution, an insurance company, reinsurance company, surety company, or other insurance institution, a corporation, investment banking firm, or other investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States of America, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility in accordance with the terms and provisions of such agreement.

- (8) "Economically Depressed Area" means any of the following:

- a. An economically distressed county as defined in G.S. 143B-437.01.
- b. That part of a rural county whose poverty rate is at least one hundred fifty percent (150%) of the State poverty rate. For the purpose of this section, the poverty rate is the

- percentage of the population with income below the latest annual federal poverty guidelines issued by the United States Department of Health and Human Resources.
- c. That part of a rural county that experiences an actual or imminent loss of jobs in a number that is equal to or exceeds five percent (5%) of the total number of jobs in the part.
- (9) "Local Government Units" means local government units as defined in the Clean Water Revolving Loan and Grant Act.
- (10) "North Carolina Municipal Council, Inc. (NCMC)" means the private, nonprofit bond rating corporation operating in North Carolina. The Council provides reports and ratings of units of local government for its members.
- (11) "Notes" means notes issued under this act.
- (12) "Par Formula" means any provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including:
- a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible,
- b. A provision providing for such adjustment based upon a percentage or percentages of a prime rate or base rate, which percentage or percentages may vary or be applied for different periods of time, or
- c. Such other provision as the State Treasurer may determine to be consistent with this act and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.
- (13) "Rural County" means a county with a density of less than 200 people per square mile based on the United States census.
- (14) "Rural Economic Development Center" means the Rural Economic Development Center, Inc., a nonprofit corporation.
- (15) "State" means the State of North Carolina.
- (16) "Supplemental Grant" means a grant awarded by the Rural Economic Development Center to a local government unit that assists in financing projects that support rural areas. Supplemental grant funds are intended to supplement other project funding and typically do not represent more than fifty percent (50%) of a project's total cost.
- (17) "Unsewered Communities" means those communities lacking centralized, publicly owned wastewater treatment collection and treatment systems.

- 1 (18) "Wastewater Collection Systems" means wastewater collection
2 systems as defined in the Clean Water Revolving Loan and Grant
3 Act.
4 (19) "Wastewater Treatment Works" means wastewater treatment works
5 as defined in the Clean Water Revolving Loan and Grant Act.
6 (20) "Water Conservation Projects" include, but are not limited to, any
7 construction, repair, renovation, expansion, replacement of
8 components, or other capital improvement, including related
9 equipment and land acquisition, designed to:
10 a. Eliminate the wasteful or unnecessary use or loss of water in
11 the operations of a wastewater collection system, wastewater
12 treatment works, or water supply system; or
13 b. Enhance the operation of a wastewater collection system,
14 wastewater treatment works, or water supply system to
15 provide a more efficient use of water.
16 (21) "Water Pollution Control Revolving Fund" means the fund
17 described by G.S. 159G-4(a) and G.S. 159G-5(c).
18 (22) "Water Reuse" means the actual use or application of treated
19 wastewater in or on areas which require water but do not require
20 potable water quality.
21 (23) "Water Supply Systems" means water supply systems as defined in
22 the Clean Water Revolving Loan and Grant Act.

23 Section 4. Authorization of bonds and notes. (a) Clean Water Bonds.

24 Subject to a favorable vote of a majority of the qualified voters of the State who vote
25 on the question of issuing Clean Water Bonds in the election called and held as
26 provided in this act, the State Treasurer is hereby authorized, by and with the
27 consent of the Council of State, to issue and sell, at one time or from time to time,
28 general obligation bonds of the State to be designated "State of North Carolina Clean
29 Water Bonds", with any additional designations as may be determined to indicate the
30 issuance of bonds from time to time, or notes of the State as provided in this act, in
31 an aggregate principal amount not exceeding seven hundred eighty-five million
32 dollars (\$785,000,000) for the purpose of providing funds, with any other available
33 funds, for the purposes authorized in this act.

34 The funds to be derived from the sale of the Clean Water Bonds
35 authorized by this act are sufficient to meet no more than a fraction of the needs that
36 now exist and will arise in the immediate future. For this reason, although public
37 necessity, the criteria established by Chapter 159G of the General Statutes, and the
38 guidelines established by the United States Environmental Protection Agency
39 Hardship Grants Program shall be the primary consideration in granting and loaning
40 funds, great emphasis shall also be placed on the creation of efficient systems of
41 regional wastewater disposal and regional water supply and on the willingness and
42 ability of local government units to meet their responsibilities through sound fiscal
43 policies, creative planning, and efficient operation and management.

(b) Natural Gas Bonds. Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing Natural Gas Bonds in the election called and held as provided in this act, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Natural Gas Bonds", with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this act, in an aggregate principal amount not exceeding two hundred fifteen million dollars (\$215,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act.

Section 5. Uses of bond and note proceeds. (a) Clean Water Bonds. The proceeds of Clean Water Bonds and notes shall be used for the purpose of making loans and grants to local governments as follows:

(1) The proceeds of three hundred fifty-five million dollars (\$355,000,000) of Clean Water Bonds shall be used by the Department of Environment and Natural Resources to provide State matching funds required to receive federal wastewater or water supply assistance funds, for grants to local government units for the same purposes for which funds in the Clean Water Revolving Loan and Grant Fund may be used, and for grants to fund hardship projects in accordance with the guidelines established by the United States Environmental Protection Agency Hardship Grants Program. The grants shall be made for the purpose of paying the cost of water supply systems, wastewater collection systems, and wastewater treatment works. Those proceeds shall be allocated as follows:

a. High-Unit Cost Wastewater Account

1. Reserved for local units of local government whose bond rating is less than 75 or who have no bond rating \$70,000,000
2. Reserved for local units of local government whose bond rating is 75 or greater..... \$80,000,000

b. Hardship Grant Projects

Reserved to fund hardship grant projects in accordance with the guidelines established by the United States EPA Hardship Grants Program \$20,000,000

c. High-Unit Cost Water Supply Account

1. Reserved for local units of local government whose bond rating is less than 75 or who have no bond rating \$70,000,000
2. Reserved for local units of local government whose bond rating is 75 or greater \$80,000,000

d. Federal Matching Funds \$35,000,000

1 The sum of thirty-five million dollars (\$35,000,000) that is
2 allocated as federal matching funds shall be used to provide State
3 funds necessary for the 1999-2000, 2000-2001, 2001-2002, 2002-
4 2003, and 2003-2004 fiscal years to match the federal wastewater or
5 water supply assistance funds deposited in the Water Pollution
6 Control Revolving Fund or another fund that is used to pay the
7 cost of water supply systems, wastewater collection systems, or
8 wastewater treatment works and is eligible to receive federal
9 matching funds, unless the General Assembly has provided the
10 required match through other revenue, in which event this priority
11 shall cease to exist to the extent of the availability of the other
12 revenue. For the purpose of implementing this priority, the
13 Department of Environment and Natural Resources shall certify to
14 the State Treasurer the amount of funds required for the State
15 match for each of the fiscal years ending June 30, 1999, June 30,
16 2000, June 30, 2001, June 30, 2002, June 30, 2003, and June 30,
17 2004, and the extent to which the General Assembly has provided
18 other funds for this purpose. Upon certification each year of the
19 amount of funds required for the State match for that fiscal year,
20 the State Treasurer may issue from the thirty-five million dollars
21 (\$35,000,000) the amount certified up to thirty-five million dollars
22 (\$35,000,000). Upon certification for the State match required for
23 the fiscal year ending June 30, 2004, the State Treasurer may issue
24 the remaining balance of the thirty-five million dollars
25 (\$35,000,000) of the Clean Water Bonds authorized by this
26 subdivision for the purpose of funding the State match for that
27 fiscal year and for any other purposes authorized by this
28 subdivision. The proceeds of the bonds necessary for the State
29 match for each fiscal year shall be deposited in the Water Pollution
30 Control Revolving Fund or another appropriate fund or account
31 determined by the State Treasurer.

32 The remaining proceeds of Clean Water Bonds allocated under
33 this subdivision may be (i) transferred directly to the Clean Water
34 Revolving Loan and Grant Fund to make grants, (ii) used to make
35 grants directly to the appropriate local government qualifying for a
36 grant from the Clean Water Revolving Loan and Grant Fund, (iii)
37 used to make grants directly to the appropriate local government
38 qualifying for a grant from the EPA Hardship Grants Program, (iv)
39 used for any combination of (i), (ii), or (iii), or (v) used in such
40 other manner as shall effectuate the purposes of this act.

- 41 (2) The proceeds of sixty million dollars (\$60,000,000) of Clean Water
42 Bonds shall be transferred to the Department of Commerce and
43 shall be administered in the same manner as funds in the Industrial
44 Development Fund created in G.S. 143B-437.01(a) for use in

accordance with G.S. 143B-437.01(a), with the following exceptions:

- a. The funds shall be used only for grants to local governments, not for loans.
- b. The only purposes for which grants may be made are construction of or improvements to new or existing water or sewer distribution lines or equipment.
- c. The projects may be located only in counties that are economically distressed as defined in G.S. 143B-437.01 or have a population of less than 50,000.
- d. Grants may be made with respect to the following industries as defined in G.S. 105-129.2: manufacturing and processing, and warehousing and wholesale trades.
- e. No match is required for the grants.

- (3) The proceeds of fifty million dollars (\$50,000,000) of Clean Water Bonds shall be used by the Rural Economic Development Center, Inc., to provide supplemental grants to local government units to match federal, State, and other grant or loan program funds to plan or improve needed water and sewer projects in economically depressed areas of North Carolina.

The supplemental grants made from the proceeds of this fifty million dollars (\$50,000,000) shall be based on the following criteria:

- a. The applicant shall be a local government unit.
- b. The applicant shall be a rural county.
- c. The applicant shall have a capital improvement plan.
- d. First priority shall be given to a water or wastewater infrastructure project that creates or retains jobs. A project shall also receive funding priority if the project is located in an economically distressed county as defined by G.S. 143B-437.01.
- e. A project that is proposed in a nondistressed county must meet at least one of the following criteria: (i) be located in that part of a rural nondistressed county where the poverty rate is at least one hundred fifty percent (150%) of the State poverty rate, (ii) be located in that part of a rural nondistressed county where the unemployment rate is at least double the State unemployment rate for the most recent reporting period available, or (iii) be located in that part of a rural nondistressed county that experiences an actual or imminent loss of jobs in a number that equals or exceeds five percent (5%) of the total number of jobs in that part of the county. Any grant awarded for a project in a

nondistressed county shall be matched on a dollar-for-dollar basis in the amount of the grant awarded.

The proceeds allocated under this subdivision may be transferred directly to the supplemental grant account of the Rural Economic Development Center, Inc., to provide supplemental funding for grants to local governments to provide funds to match federal grants or other grants for necessary water and sewer projects in economically depressed areas. However, funds shall not be expended for the repair or replacement of low-pressure pipe wastewater systems.

- (4) The proceeds of three hundred twenty million dollars (\$320,000,000) of Clean Water Bonds shall be used for the purpose of making loans to local government units to pay the cost of water supply systems, water conservation projects, water reuse projects, wastewater collection systems, and wastewater treatment works. The proceeds shall be allocated as follows:

- a. Wastewater collection systems and wastewater treatment works.
 - 1. Reserved for local units of local government whose bond rating is less than 75 or who have no bond rating..... \$10,000,000
 - 2. Reserved for local units of local government whose bond rating is 75 or more..... \$150,000,000
- b. Water supply and distribution systems and water conservation projects.
 - 1. Reserved for local units of local government whose bond rating is less than 75 or who have no bond rating..... \$10,000,000
 - 2. Reserved for local units of local government whose bond rating is 75 or more..... \$150,000,000

The proceeds allocated under this subdivision shall be used to make loans directly to local government units qualifying for a loan from the Clean Water Revolving Loan and Grant Fund or loaned in such other manner as shall effectuate the purposes of this act. To qualify for a loan from the Clean Water Bonds Fund for the purpose of paying the cost of water supply systems, a local government unit must have a water supply facility plan approved by the Department of Environment and Natural Resources. A water supply facility plan submitted by a local government unit to the Department under G.S. 143-355(1) will be sufficient to meet this requirement. To qualify for a loan from the Clean Water Bonds Fund for the purpose of paying the cost of wastewater collection systems or wastewater treatment works, a local

1 government unit must have a wastewater facility plan approved by
2 the Department of Environment and Natural Resources. A
3 wastewater facility plan must project future wastewater treatment
4 needs, must present a long-range plan to meet those needs, and
5 must include plans for system operations and maintenance of the
6 facilities being built with the bond proceeds.

7 The Department of Environment and Natural Resources
8 shall set the priorities and determine the eligibility of local
9 government units for these loans in accordance with Section 10 of
10 this act. The form of the loans and the details thereof including,
11 without limitation, the maturity, interest rate, and amortization
12 schedule shall be determined, from time to time, by the State
13 Treasurer. In making these determinations, the State Treasurer
14 shall consider the purpose of the loans, the ability of local
15 government units to repay the loans, and the security for the loans.
16 The interest rates on these loans shall reflect the self-supporting
17 nature of the loan program and shall be sufficient to cover
18 substantially all payments of debt service on the three hundred
19 twenty million dollars (\$320,000,000) of Clean Water Bonds and
20 the issuance costs and administrative expenses associated with the
21 issuance of these bonds and the making of these loans, subject to
22 any applicable requirements of the federal tax law.

23 Repayments of the loans shall be credited to the General
24 Fund and may be used to pay, directly or indirectly, debt service
25 on the bonds and notes issued. Repayments may be initially
26 placed into such fund or account as may be determined by the
27 State Treasurer for the purpose of determining compliance with
28 applicable requirements of the federal tax law and shall be
29 expended and disbursed therefrom under the direction and
30 supervision of the Director of the Budget.

31 Any additional moneys which may be received by means of a grant or
32 grants from the United States of America or any agency or department thereof or
33 from any other source for deposit to the Clean Water Bonds Fund may be placed in
34 the Clean Water Bonds Fund or in a separate account or fund and shall be disbursed,
35 to the extent permitted by the terms of the grant or grants, without regard to any
36 limitations imposed by this act.

37 Moneys in the Clean Water Bonds Fund, the Clean Water Bonds Loan
38 Fund, or any separate fund or account established under this act may be invested
39 from time to time by the State Treasurer in the same manner permitted for
40 investment of moneys belonging to the State or held in the State treasury, except with
41 respect to grant money to the extent otherwise directed by the terms of the grant.
42 Investment earnings, except investment earnings with respect to grant moneys to the
43 extent otherwise directed or restricted by the terms of the grant, may be (i) credited
44 to the Clean Water Bonds Fund, the Clean Water Bonds Loan Fund, or any separate

1 fund or account established under this act, (ii) used to pay debt service on the bonds
2 authorized by this act, (iii) used to satisfy compliance with applicable requirements of
3 the federal tax law, or (iv) transferred to the General Fund of the State.

4 The proceeds of bonds and notes may be used with any other moneys
5 made available by the General Assembly for making grants and loans authorized by
6 this act, including the proceeds of any other State bond issues, whether heretofore
7 made available or which may be made available at the session of the General
8 Assembly at which this act is ratified or any subsequent sessions. The proceeds of
9 bonds and notes shall be expended and disbursed under the direction and supervision
10 of the Director of the Budget. The funds provided by this act shall be disbursed for
11 the purposes provided in this act upon warrants drawn on the State Treasurer by the
12 State Controller, which warrants shall not be drawn until requisition has been
13 approved by the Director of the Budget and which requisition shall be approved only
14 after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the
15 General Statutes.

16 (b) Natural Gas Bonds. The proceeds of Natural Gas Bonds and notes
17 shall be used for the purpose of providing grants, loans, or other financing to natural
18 gas local distribution companies, persons seeking natural gas distribution franchises,
19 State or local government agencies, or other entities for the costs of constructing
20 natural gas facilities, including pipelines, compressors, interests in real property, and
21 related equipment for the delivery of natural gas.

22 Any additional moneys which may be received by means of a grant or
23 grants from the United States of America or any agency or department thereof or
24 from any other source to aid in financing the cost of any natural gas grants authorized
25 by this act may be placed by the State Treasurer in the Natural Gas Bonds Fund or
26 in a separate account or fund and shall be disbursed, to the extent permitted by the
27 terms of the grant or grants, without regard to any limitations imposed by this act.

28 The proceeds of Natural Gas Bonds and notes may be used with any
29 other moneys made available by the General Assembly for providing grants, loans, or
30 other financing in accordance with this act, including the proceeds of any other State
31 bond issues, whether heretofore made available or which may be made available at
32 the session of the General Assembly at which this act is ratified or any subsequent
33 sessions. The proceeds of Natural Gas Bonds and notes shall be expended and
34 disbursed under the direction and supervision of the Director of the Budget. The
35 funds provided by this act for construction of natural gas facilities shall be disbursed
36 for the purposes provided in this act upon warrants drawn on the State Treasurer by
37 the State Controller, which warrants shall not be drawn until requisition has been
38 approved by the Director of the Budget and which requisition shall be approved only
39 after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the
40 General Statutes.

41 The North Carolina Utilities Commission shall provide quarterly reports
42 to the Joint Legislative Commission on Governmental Operations, the Chairs of the
43 Senate and House of Representatives Appropriations Committees, and the Fiscal
44 Research Division on the expenditure of moneys from the Natural Gas Bonds Fund.

1 Section 6. Allocation of proceeds. (a) Clean Water Bonds. The
2 proceeds of Clean Water Bonds and notes, including premium thereon, if any, except
3 the proceeds of bonds the issuance of which has been anticipated by bond
4 anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the
5 State Treasurer in a special fund to be designated "Clean Water Bonds Fund", which
6 may include such appropriate special accounts therein as may be determined by the
7 State Treasurer and shall be disbursed as provided in this act. Moneys in the Clean
8 Water Bonds Fund shall be allocated and expended as provided in this act.

9 (b) Natural Gas Bonds. The proceeds of Natural Gas Bonds and notes,
10 including premium thereon, if any, except the proceeds of bonds the issuance of
11 which has been anticipated by bond anticipation notes or the proceeds of refunding
12 bonds or notes, shall be placed by the State Treasurer in a special fund to be
13 designated "Natural Gas Bonds Fund", which may include such appropriate special
14 accounts therein as may be determined by the State Treasurer, and shall be disbursed
15 as provided in this act. Moneys in the Natural Gas Bonds Fund shall be allocated
16 and expended as provided in this act. The proceeds may be used in accordance
17 with G.S. 62-159 or may be distributed in accordance with the provisions of
18 legislation enacted by the General Assembly in 1998 or later providing for the
19 allocation of the bond proceeds for the purposes provided in this act.

20 (c) Costs. Allocations to the costs of a capital improvement or
21 undertaking in each case may include allocations to pay the costs set forth in Section
22 3(6)c., d., e., f., and g. of this act in connection with the issuance of bonds for that
23 capital improvement or undertaking.

24 Section 7. Election. The questions of the issuance of the bonds
25 authorized by this act shall be submitted to the qualified voters of the State at an
26 election to be held on the first Tuesday after the first Monday of November 1998.
27 Any other primary, election, or referendum validly called or scheduled by law at the
28 time the election on the bond question provided for in this section is held may be
29 held as called or scheduled. Notice of the election shall be given in the manner and
30 at the times required by G.S. 163-33(8). The election and the registration of voters
31 therefor shall be held under and in accordance with the general laws of the State.
32 Absentee ballots shall be authorized in the election.

33 The State Board of Elections shall reimburse the counties of the State for
34 all necessary expenses incurred in holding the election that are in addition to those
35 that would have otherwise been incurred, the same to be paid out of the Contingency
36 and Emergency Fund or other funds available to the State Board of Elections.

37 Ballots, voting systems authorized by Article 14 of Chapter 163 of the
38 General Statutes, or both may be used in accordance with rules prescribed by the
39 State Board of Elections. The bond questions to be used in the ballots or voting
40 systems shall be in substantially the following form:

41 "[] FOR [] AGAINST
42 the issuance of seven hundred eighty-five million dollars (\$785,000,000) State of
43 North Carolina Clean Water Bonds constituting general obligation bonds of the State
44 secured by a pledge of the faith and credit and taxing power of the State for the

1 purpose of providing funds, with any other available funds, to make loans and grants
2 to local government units to pay all or a portion of the cost of clean water projects.

3 "[] FOR [] AGAINST

4 the issuance of two hundred fifteen million dollars (\$215,000,000) State of North
5 Carolina Natural Gas Bonds constituting general obligation bonds of the State
6 secured by a pledge of the faith and credit and taxing power of the State for the
7 purpose of providing funds, with any other available funds, to provide grants, loans,
8 or other financing to public or private entities for construction of natural gas
9 facilities."

10 If a majority of those voting on a bond question in the election vote in
11 favor of the issuance of the bonds described in the question, those bonds may be
12 issued as provided in this act. If a majority of those voting on a bond question in the
13 election vote against the issuance of the bonds described in the question, those bonds
14 shall not be issued.

15 The results of the election shall be canvassed and declared as provided by
16 law for elections for State officers; the results of the election shall be certified by the
17 State Board of Elections to the Secretary of State, in the manner and at the time
18 provided by the general election laws of the State.

19 Section 8. Issuance of bonds and notes. (a) Terms and Conditions.
20 Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or
21 any combination thereof, may mature in such amounts and at such time or times, not
22 exceeding 40 years from their date or dates, may be payable at such place or places,
23 either within or without the United States of America, in such coin or currency of the
24 United States of America as at the time of payment is legal tender for payment of
25 public and private debts, may bear interest at such rate or rates, which may vary from
26 time to time, and may be made redeemable before maturity, at the option of the State
27 or otherwise as may be provided by the State, at such price or prices, including a
28 price less than the face amount of the bonds or notes, and under such terms and
29 conditions, all as may be determined by the State Treasurer, by and with the consent
30 of the Council of State.

31 (b) Signatures; Form and Denomination; Registration. Bonds or notes
32 may be issued as certificated or uncertificated obligations. If issued as certificated
33 obligations, bonds or notes shall be signed on behalf of the State by the Governor or
34 shall bear his facsimile signature, shall be signed by the State Treasurer or shall bear
35 his facsimile signature, and shall bear the Great Seal of the State or a facsimile
36 thereof shall be impressed or imprinted thereon. If bonds or notes bear the facsimile
37 signatures of the Governor and the State Treasurer, the bonds or notes shall also bear
38 a manual signature which may be that of a bond registrar, trustee, paying agent, or
39 designated assistant of the State Treasurer. Should any officer whose signature or
40 facsimile signature appears on bonds or notes cease to be such officer before the
41 delivery of the bonds or notes, the signature or facsimile signature shall nevertheless
42 have the same validity for all purposes as if the officer had remained in office until
43 delivery, and bonds or notes may bear the facsimile signatures of persons who at the
44 actual time of the execution of the bonds or notes shall be the proper officers to sign

1 any bond or note although at the date of the bond or note such persons may not have
2 been such officers. The form and denomination of bonds or notes, including the
3 provisions with respect to registration of the bonds or notes and any system for their
4 registration, shall be as the State Treasurer may determine in conformity with this act;
5 provided, however, that nothing in this act shall prohibit the State Treasurer from
6 proceeding, with respect to the issuance and form of the bonds or notes, under the
7 provisions of Chapter 159E of the General Statutes, the Registered Public Obligations
8 Act, as well as under this act.

9 (c) Manner of Sale; Expenses. Subject to determination by the Council
10 of State as to the manner in which bonds or notes shall be offered for sale, whether at
11 public or private sale, whether within or without the United States of America, and
12 whether by publishing notices in certain newspapers and financial journals, mailing
13 notices, inviting bids by correspondence, negotiating contracts of purchase or
14 otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from
15 time to time at such rate or rates of interest, which may vary from time to time, and
16 at such price or prices, including a price less than the face amount of the bonds or
17 the notes, as the State Treasurer may determine. All expenses incurred in
18 preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer
19 from the proceeds of bonds or notes or other available moneys.

20 (d) Notes; Repayment.

21 (1) By and with the consent of the Council of State, the State
22 Treasurer is hereby authorized to borrow money and to execute
23 and issue notes of the State for the same, but only in the following
24 circumstances and under the following conditions:

25 a. For anticipating the sale of bonds to the issuance of which
26 the Council of State shall have given consent, if the State
27 Treasurer shall deem it advisable to postpone the issuance of
28 the bonds;

29 b. For the payment of interest on or any installment of
30 principal of any bonds then outstanding, if there shall not be
31 sufficient funds in the State treasury with which to pay the
32 interest or installment of principal as they respectively
33 become due;

34 c. For the renewal of any loan evidenced by notes herein
35 authorized;

36 d. For the purposes authorized in this act; and

37 e. For refunding bonds or notes as herein authorized.

38 (2) Funds derived from the sale of bonds or notes may be used in the
39 payment of any bond anticipation notes issued under this act.
40 Funds provided by the General Assembly for the payment of
41 interest on or principal of bonds shall be used in paying the
42 interest on or principal of any notes and any renewals thereof, the
43 proceeds of which shall have been used in paying interest on or
44 principal of the bonds.

1 (e) Refunding Bonds and Notes. By and with the consent of the Council
2 of State, the State Treasurer is authorized to issue and sell refunding bonds and notes
3 pursuant to the provisions of the State Refunding Bond Act for the purpose of
4 refunding bonds or notes issued pursuant to this act. The refunding bonds and notes
5 may be combined with any other issues of State bonds and notes similarly secured.

6 (f) Tax Exemption. Bonds and notes shall be exempt from all State,
7 county, and municipal taxation or assessment, direct or indirect, general or special,
8 whether imposed for the purpose of general revenue or otherwise, excluding
9 inheritance and gift taxes, income taxes on the gain from the transfer of bonds and
10 notes, and franchise taxes. The interest on bonds and notes shall not be subject to
11 taxation as to income.

12 (g) Investment Eligibility. Bonds and notes are hereby made securities in
13 which all public officers, agencies, and public bodies of the State and its political
14 subdivisions, all insurance companies, trust companies, investment companies, banks,
15 savings banks, savings and loan associations, credit unions, pension or retirement
16 funds, other financial institutions engaged in business in the State, executors,
17 administrators, trustees, and other fiduciaries may properly and legally invest funds,
18 including capital in their control or belonging to them. Bonds and notes are hereby
19 made securities which may properly and legally be deposited with and received by
20 any officer or agency of the State or political subdivision of the State for any purpose
21 for which the deposit of bonds, notes, or obligations of the State or any political
22 subdivision is now or may hereafter be authorized by law.

23 (h) Faith and Credit. The faith and credit and taxing power of the State
24 are hereby pledged for the payment of the principal of and the interest on bonds and
25 notes. In addition to the State's right to amend any provision of this act to the extent
26 it does not impair any contractual right of a bond owner, the State expressly reserves
27 the right to amend any provision of this act with respect to the making and
28 repayment of loans, the disposition of any repayments of loans, and any intercept
29 provisions relating to the failure of a local government unit to repay a loan, the bonds
30 not being secured in any respect by loans, any repayments thereof, or any intercept
31 provisions with respect thereto.

32 Section 9. Variable interest rates. In fixing the details of bonds and
33 notes, the State Treasurer may provide that any of the bonds or notes may:

- 34 (1) Be made payable from time to time on demand or tender for
35 purchase by the owner thereof provided a credit facility supports
36 the bonds or notes, unless the State Treasurer specifically
37 determines that a credit facility is not required upon a finding and
38 determination by the State Treasurer that the absence of a credit
39 facility will not materially or adversely affect the financial position
40 of the State and the marketing of the bonds or notes at a
41 reasonable interest cost to the State;
- 42 (2) Be additionally supported by a credit facility;
- 43 (3) Be made subject to redemption or a mandatory tender for
44 purchase prior to maturity;

- (4) Bear interest at a rate or rates that may vary for such period or periods of time, all as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, such variations as may be permitted pursuant to a par formula; and
- (5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

If the aggregate principal amount repayable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

Section 10. Special provisions governing clean water loans. (a) Scope. The provisions of this section shall apply to loans being made from the proceeds of bonds authorized by this act for clean water projects, other than from funds deposited in the Clean Water Revolving Loan and Grant Fund.

(b) Clean Water Bonds Loan Fund. There is established in the Department of State Treasurer a fund to be known as the Clean Water Bonds Loan Fund, which may include any special or segregated accounts the State Treasurer considers appropriate. There shall be deposited in the Clean Water Bonds Loan Fund proceeds of the Clean Water Bonds and notes to be used to make loans, other than loans to be made through the Clean Water Revolving Loan and Grant Fund, to local government units for clean water projects as provided in this act.

Except as otherwise permitted by Section 5 of this act with respect to the use of investment earnings, all moneys accruing to the credit of the Clean Water Bonds Loan Fund, other than funds set aside for administrative expenses, including expenses related to determining compliance with applicable requirements of the federal tax law and costs of issuance, shall be used to make loans for the purposes provided in this act. The State Treasurer shall be responsible for making and administering all loans pursuant to the provisions of this section.

(c) Application for Loans; Hearings.

(1) Eligibility/Initial Hearing.

- a. Prior to filing an application for a loan, a local government unit shall hold a public hearing. A notice of the public hearing shall be published once at least 10 days before the date fixed for the hearing.
- b. All applications for loans shall be filed with the Department of Environment and Natural Resources. The form of the application shall be prescribed by the Department and shall

1 require any information necessary to determine the
2 eligibility for a loan under the provisions of this section. All
3 applications approved by the Department of Environment
4 and Natural Resources shall be filed with the Local
5 Government Commission. Each applicant shall furnish to
6 the Department of Environment and Natural Resources and
7 the Local Government Commission information in addition
8 or supplemental to the information contained in its
9 application, upon request.

10 c. A local government unit shall not be eligible for a loan
11 unless it demonstrates to the satisfaction of the Department
12 of Environment and Natural Resources and the Local
13 Government Commission that:

- 14 1. The applicant is a local government unit;
- 15 2. The applicant has the financial capacity to pay the
16 principal of and interest on its proposed loan as
17 evidenced by the approval of the Local Government
18 Commission;
- 19 3. The applicant has substantially complied or will
20 substantially comply with all applicable laws, rules,
21 regulations, and ordinances, whether federal, State, or
22 local; and
- 23 4. The applicant has agreed by official resolution to
24 adopt and place into effect a schedule of fees and
25 charges or the application of other sources of revenue
26 which will provide adequate funds for proper
27 operation, maintenance, and administration of the
28 project and repayment of all principal and interest on
29 the loan.

30 (2) Assessment. The Department of Environment and Natural
31 Resources may require any applicant to file with its application an
32 assessment of the impact the project for which the funds are sought
33 will have upon meeting the facility needs of the area within which
34 the project is to be located.

35 (3) Hearing by the Department of Environment and Natural Resources
36 or the Local Government Commission. A public hearing may be
37 held by the Department of Environment and Natural Resources or
38 the Local Government Commission at any time on any application.
39 Public hearings may also be held by the Department of
40 Environment and Natural Resources in its discretion upon written
41 request from any citizen or taxpayer who is a resident of the
42 county or counties in which the project is to be located or a
43 resident of the local government unit that proposes to borrow
44 moneys under this act, if it appears that the public interest will be

served by the hearing. The written request shall set forth each objection to the proposed project or other reason for requesting a hearing on the application and shall contain the name and address of the persons submitting it. In deciding whether to grant a request for a hearing on an application, the Department of Environment and Natural Resources may consider the application, the written objections to the proposed project, and the facility needs and shall determine if the public interest will be served by a hearing. The determination by the Department of Environment and Natural Resources shall be conclusive, and all written requests for a hearing shall be retained as a permanent part of the records pertaining to the application.

- (4) Petition for Vote. A petition, demanding that the question of whether to enter into a loan agreement with the State under this act be submitted to voters, may be filed with the clerk of the local government unit applying for the loan within 15 days after the public hearing required by this section. The petition's sufficiency shall be determined and a referendum, if any, shall be conducted according to the standards, procedures, and limitations set out in G.S. 159-60 through G.S. 159-62.

(d) Priorities.

- (1) Determination. Determination of priorities to be assigned each eligible project shall be made semiannually by the Department of Environment and Natural Resources during each fiscal year. Every eligible project shall be considered by the Department of Environment and Natural Resources with every other project eligible during this same priority period.
- (2) Priority Factors. All applications for loans under this act shall be assigned a priority by the Department of Environment and Natural Resources. The Department of Environment and Natural Resources shall establish other priority factors criteria by rule.
- (3) Assignment of Priority. A written statement relative to each priority assigned shall be prepared by the Department of Environment and Natural Resources and shall be attached to the application. The priority assigned shall be conclusive.
- (4) Failure to Qualify. If an application does not qualify for a loan as of the prior period in which the application was eligible for consideration by reason of the priority assigned, the application shall be considered during the next succeeding priority period upon request of the applicant. If the application again fails to qualify for a loan during the second priority period by reason of the priority assigned, the application shall receive no further consideration. An applicant may file a new application at any time

1 and may amend any pending application to include additional data
2 or information.

3 (5) Withdrawal of Commitment. Failure of an applicant within one
4 year after the date of acceptance of the loan to arrange for
5 necessary financing of the proposed project or award of the
6 contract of the construction of the proposed project shall constitute
7 sufficient cause for withdrawal of the commitment. Prior to
8 withdrawal of a commitment, the Department of Environment and
9 Natural Resources shall give due consideration to any extenuating
10 circumstances presented by the applicant as reasons for failure to
11 arrange necessary financing or to award a contract, and the
12 commitment may be extended for an additional period of time if,
13 in the judgment of the Department of Environment and Natural
14 Resources, the extension is justified.

15 (e) Disbursement. To be eligible to receive the loans provided for in this
16 section, a local government unit must arrange to borrow the amounts necessary
17 pursuant to rules adopted by the Local Government Commission. No funds shall be
18 disbursed until the Department of Environment and Natural Resources gives a
19 certificate of eligibility to the effect that the applicant meets all eligibility criteria and
20 that all procedural requirements of this act have been met. The maximum principal
21 amount of a loan shall be one hundred percent (100%) of the cost of any eligible
22 project.

23 (f) Intercept. The governing body of a local government unit shall by
24 resolution authorize to be included in its loan agreement a provision authorizing the
25 State Treasurer, upon failure of the local government unit to make a scheduled
26 repayment of the loan, to withhold from the local government unit any State funds
27 that would otherwise be distributed to the local government unit in an amount
28 sufficient to pay all sums then due and payable to the State as a repayment of the
29 loan. In such event, notwithstanding any other provision of law, the State Treasurer
30 is authorized to withhold and apply such funds to the repayment of the loan, except
31 that such funds shall not be withheld if (i) before the execution of the loan
32 agreement, such funds have been legally pledged to secure special obligation bonds or
33 other obligations of the local government unit, or (ii) after the execution of the loan
34 agreement, such funds are legally pledged to secure special obligation bonds or other
35 obligations of the local government unit as authorized in this subsection. After the
36 execution of a loan agreement, all or any portion of the State funds specified in the
37 loan agreement to be so withheld may be pledged to secure special obligation bonds
38 or other obligations of the local government unit only with the prior written consent
39 of the State Treasurer.

40 The State Treasurer shall notify the Secretary of Revenue and the State
41 Controller of the amount to be withheld from the local government unit, and the
42 Secretary of Revenue and the State Controller shall transfer to the State Treasurer
43 the amount so requested to be applied by the State Treasurer to the repayment of the
44 loan.

1 (g) Inspection. Inspection of a project for which a loan has been made
2 under this act may be performed by qualified personnel of the Department of
3 Environment and Natural Resources or may be performed by qualified engineers
4 registered in this State approved by the Department of Environment and Natural
5 Resources. No person shall be approved to perform inspections who is an officer
6 employed by the local government unit to which the loan was made or who is an
7 owner, officer, employer, or agent of a contractor or subcontractor engaged in the
8 construction of the project for which the loan was made. For the purpose of payment
9 of inspection fees, inspection services shall be included in the term "cost" as used in
10 this act.

11 (h) Rules. The State Treasurer, the Local Government Commission, and
12 the Department of Environment and Natural Resources may adopt, modify, and
13 repeal rules necessary for the administration of their respective duties under this act.
14 Uniform rules may be jointly adopted where feasible and desirable, and no rule,
15 jointly adopted, may be modified or revoked except upon concurrence of all agencies
16 involved.

17 (i) Federal Grants and Loans. In order to carry out the purposes of this
18 act to secure the greatest possible benefits to the citizens of this State of the funds
19 appropriated, the State Treasurer, the Local Government Commission, and the
20 Department of Environment and Natural Resources shall adopt rules and criteria, not
21 inconsistent with provisions of this act, as are necessary and appropriate to conform
22 to regulations for federal grants and loans for any of the purposes set forth in this act.

23 (j) Reports. The Department of Environment and Natural Resources
24 shall prepare and file each year on or before July 31 with the Joint Legislative
25 Commission on Governmental Operations a report for the preceding fiscal year
26 concerning the allocation and making of loans authorized by this act. The report
27 shall set forth for the preceding fiscal year:

- 28 (1) Itemized and total allocations of loans authorized and unallocated
29 funds for the loan program as of the end of the preceding fiscal
30 year;
- 31 (2) Identification of each loan agreement entered into by the State
32 during the preceding fiscal year and the total amount of loans
33 authorized by such loan agreements;
- 34 (3) The amount disbursed to each local government unit pursuant to
35 such loan agreements during the preceding fiscal year and the total
36 amount of such disbursements;
- 37 (4) The loan repayments made by each local government unit
38 pursuant to such loan agreements and the total amount of such
39 loan repayments during the preceding fiscal year; and
- 40 (5) A summary for the five preceding years of the information
41 required by subdivisions (1) through (4) of this subsection.

42 The report shall be signed by the Secretary of Environment and Natural Resources.

43 (k) Local Government Commission.

(1) Local government units may execute debt instruments payable to the State in order to obtain loans provided for in this act. Local government units shall pledge or agree to apply as security for such obligations:

- a. Any available source of revenues of the local government unit, including revenues from benefitted facilities or systems, provided that (i) the local government unit has not otherwise pledged the revenues as security for, or contractually agreed to apply the revenues to, the payment of any other obligations of the local government unit, (ii) the use of the revenues is not otherwise restricted by law, or (iii) the revenues are not derived from the exercise of the local government unit's taxing power; or
- b. Their faith and credit; or
- c. Any combination of a. or b. above.

The faith and credit of a local government unit shall not be pledged or be deemed to have been pledged unless the requirements of Article 4 of Chapter 159 of the General Statutes have been met. The State Treasurer, with the assistance of the Local Government Commission, shall develop and adopt appropriate debt instruments for use under this act.

(2) Nothing contained in this act shall prohibit any local government unit from applying any funds of the local government unit not otherwise restricted as to use by law to the payment of any debt instrument payable to the State incurred pursuant to the provisions of this act.

(3) The Local Government Commission shall review and approve proposed loans to local government units under this act under the provisions of Articles 4 and 5 of Chapter 159 of the General Statutes. The Local Government Commission in considering the ability of a local government unit to repay a loan may regard as a source of revenue for repayment of a loan revenue sources that may not be available other than on an annual discretionary basis and that may not be subject to a pledge or agreement to apply. Loans under this act shall be outstanding debts for the purposes of Article 10 of Chapter 159 of the General Statutes.

(4) The State Treasurer shall annually certify to the General Assembly the financial condition of the loan program and identify existing delinquencies.

Section 11. Reports. (a) The Rural Economic Development Center shall prepare and file each year on or before July 31 with the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division a report for the preceding fiscal year concerning the allocation and making of grants authorized by this act. The report shall be signed by the Chair of the Board of

1 Directors of the Rural Economic Development Center. The report shall set forth for
2 the preceding fiscal year:

3 (1) Itemized and total allocations of grants authorized and unallocated
4 funds for the grant program as of the end of the preceding fiscal
5 year;

6 (2) Identification of each grant agreement entered into by the Rural
7 Economic Development Center during the preceding fiscal year
8 and the total amount of grants authorized by the grant agreements;

9 (3) The amount disbursed to each local government unit pursuant to
10 the grant agreements during the preceding fiscal year and the total
11 amount of the disbursements; and

12 (4) A summary for the five preceding years of the information
13 required by subdivisions (1) through (3) of this subsection.

14 (b) The Department of Environment and Natural Resources shall
15 prepare and file each year on or before July 31 with the Joint Legislative Commission
16 on Governmental Operations and the Fiscal Research Division a report for the
17 preceding fiscal year concerning the allocation and making of grants authorized by
18 this act. The report shall be signed by the Secretary of Environment and Natural
19 Resources. The report shall set forth for the preceding fiscal year:

20 (1) Itemized and total allocations of grants authorized and unallocated
21 funds for the grant program as of the end of the preceding fiscal
22 year;

23 (2) Identification of each grant agreement entered into by the
24 Department of Environment and Natural Resources during the
25 preceding fiscal year and the total amount of grants authorized by
26 the grant agreements;

27 (3) The amount disbursed to each local government unit pursuant to
28 the grant agreements during the preceding fiscal year and the total
29 amount of the disbursements; and

30 (4) A summary for the five preceding years of the information
31 required by subdivisions (1) through (3) of this subsection.

32 (c) The Department of Commerce shall prepare and file each year on or
33 before July 31 with the Joint Legislative Commission on Governmental Operations
34 and the Fiscal Research Division a report for the preceding fiscal year concerning the
35 allocation and making of grants authorized by this act. The report shall be signed by
36 the Secretary of Commerce. The report shall set forth for the preceding fiscal year:

37 (1) Itemized and total allocations of grants authorized and unallocated
38 funds for the grant program as of the end of the preceding fiscal
39 year;

40 (2) Identification of each grant agreement entered into by the
41 Department of Commerce during the preceding fiscal year and the
42 total amount of grants authorized by the grant agreements;

(3) The amount disbursed to each local government unit pursuant to the grant agreements during the preceding fiscal year and the total amount of the disbursements; and

(4) A summary for the five preceding years of the information required by subdivisions (1) through (3) of this subsection.

Section 12. Minority business participation. The goals set by G.S. 143-128 for participation in projects by minority businesses apply to projects funded by the proceeds of bonds or notes issued under this act. The Department of Environment and Natural Resources, the Department of Commerce, and the Rural Economic Development Center shall monitor compliance with this requirement and shall report to the General Assembly by January 1 of each year on the participation by minority businesses in these projects.

Section 13. Interpretation of act. (a) Additional Method. The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing.

(b) Statutory References. References in this act to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

(c) Broad Construction. This act, being necessary for the health and welfare of the people of the State, shall be broadly construed to effect the purposes thereof.

(d) Inconsistent Provisions. Insofar as the provisions of this act are inconsistent with the provisions of any general laws, or parts thereof, the provisions of this act shall be controlling.

(e) Severability. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Section 14. G.S. 159G-6 reads as rewritten:

"§ 159G-6. Distribution of funds.

(a) Revolving loans and grants.

(1) All funds appropriated or accruing to the Clean Water Revolving Loan and Grant Fund, other than funds set aside for administrative expenses, shall be used for revolving loans and grants to local government units for construction costs of wastewater treatment works, wastewater collection systems and water supply systems and other assistance as provided in this Chapter.

(2) The maximum principal amount of a revolving loan or a grant may be one hundred percent (100%) of the nonfederal share of the construction costs of any eligible project. The maximum principal

amount of revolving loans made to any one local government unit during any fiscal year shall be ~~three~~ five million dollars ~~(\$3,000,000)~~ (\$5,000,000). The maximum principal amount of grants made to any one local government unit during any fiscal year shall be ~~one~~ two million dollars ~~(\$1,000,000)~~ (\$2,000,000).

- (3) The State Treasurer shall be responsible for investing and distributing all funds appropriated or accruing to the Clean Water Revolving Loan and Grant Fund for revolving loans and grants under this Chapter. In fulfilling his responsibilities under this section, the State Treasurer shall make a written request to the Department of Environment and Natural Resources to arrange for the appropriated funds to be (i) transferred from the appropriate accounts to a local government unit to provide funds for one or more revolving loans or grants or (ii) invested as authorized by this Chapter with the interest on and the principal of such investments to be transferred to the local government unit to provide funds for one or more revolving loans or grants.

(b) Wastewater Accounts. -- The sums allocated in G.S. 159G-4 and accruing to the various Wastewater Accounts in each fiscal year shall be used to make revolving loans and grants to local government units as provided below. The Department of Environment and Natural Resources shall disburse no funds from the Wastewater Accounts except upon receipt of written approval of the disbursement from the Environmental Management Commission.

- (1) General Wastewater Revolving Loan and Grant Account. -- The funds in the General Wastewater Revolving Loan and Grant Account shall be used exclusively for the purpose of providing for revolving construction loans or grants in connection with approved wastewater treatment work or wastewater collection system projects.

- (2) High-Unit Cost Wastewater Account. -- The funds in the High-Unit Cost Wastewater Account shall be available for grants to applicants for high-unit cost wastewater projects. Eligibility of an applicant for such a grant shall be determined by comparing estimated average household user fees for water and sewer service, for debt service and operation and maintenance costs, to one and one-half percent (1.5%) of the median household income in the county in which the project is located. The projects which would require estimated average household water and sewer user fees greater than one and one-half percent (1.5%) of the median household income are defined as high-unit cost wastewater projects and will be eligible for a grant equal to the excess cost, subject to the limitations in ~~subsection~~ subdivision (a)(2) of this section.

- (3) Emergency Wastewater Revolving Loan Account. -- The funds in the Emergency Wastewater Revolving Loan Account shall be

1 available for revolving emergency loans to applicants in the event
2 the Environmental Management Commission certifies that a serious
3 public health hazard, related to the inadequacy of existing
4 wastewater facilities, is present or imminent in a community.

5 (c) Water Supply Accounts. -- The sums allocated in G.S. 159G-4 and accruing to
6 the various Water Supply Accounts in each fiscal year shall be used to provide
7 revolving loans and grants to local government units as provided below. The
8 Department of Environment and Natural Resources shall disburse no funds from the
9 Water Supply Accounts except upon receipt of written approval of the disbursement
10 from the Division of Environmental Health.

11 (1) General Water Supply Revolving Loan and Grant Account. -- The
12 funds in the General Water Supply Revolving Loan and Grant
13 Account shall be used exclusively for the purpose of providing for
14 revolving construction loans and grants in connection with water
15 supply systems generally and not upon a county allotment basis.

16 (2) High-Unit Cost Water Supply Account. -- The funds in the High-
17 Unit Cost Water Supply Account shall be available for grants to
18 applicants for high-unit cost water supply systems, on the same
19 basis as provided in G.S. 159G-6(b)(2) for high-unit cost
20 wastewater projects.

21 (3) Emergency Water Supply Revolving Loan Account. -- The funds
22 in the Emergency Water Supply Revolving Loan Account shall be
23 available for revolving emergency loans to applicants in the event
24 the Division of Environmental Health certifies that a serious public
25 health hazard, related to the water supply system, is present or
26 imminent in a community.

27 (d) Repealed by Session Laws 1991, c. 186, s. 4.

28 (e) Notwithstanding any other provision of this Chapter, funds in the Water
29 Pollution Control Revolving Fund shall not be available as grants except to the extent
30 permitted by Title VI of the Federal Water Quality Act of 1987 and the regulations
31 thereunder."

32 Section 15. The General Assembly finds that:

33 (1) The 1989 General Assembly in Chapter 338 of the 1989 Session
34 Laws directed the North Carolina Utilities Commission to require
35 the franchised natural gas local distribution companies to file
36 reports with the Commission detailing their plans for providing
37 natural gas service in areas of the State where natural gas service is
38 not available, and directed the Commission and the Public Staff to
39 provide independent analyses and summaries of those reports
40 together with status reports of natural gas service in the State to
41 the Joint Legislative Utility Review Committee; and

42 (2) The reports of the utilities, the Commission, and the Public Staff
43 indicate that the construction of facilities and the extension of

- 1 natural gas service in some areas of the State may not be
2 economically feasible with traditional funding methods; and
3 (3) The 1991 General Assembly enacted G.S. 62-158 and G.S. 62-2(9)
4 authorizing special funding methods, including the use of supplier
5 refunds and customer surcharges, to facilitate the expansion of
6 natural gas service; and
7 (4) While the 1991 legislation has been successful in providing some
8 natural gas service to previously unserved areas of the State, that
9 legislation has not been sufficient to facilitate the extension of
10 service that is necessary and in the public interest and there are
11 still counties with no gas service or virtually no gas service; and
12 (5) It is therefore necessary to authorize additional funding methods,
13 including appropriations from the General Assembly and the
14 proceeds of general obligation bonds, to further facilitate the
15 expansion of natural gas service.

16 Section 16. Chapter 62 of the General Statutes is amended by adding a
17 new section to read:

18 **"§ 62-159. Additional funding for natural gas expansion.**

19 (a) In order to facilitate the construction of facilities in and the extension of
20 natural gas service to unserved areas, the Commission may provide funding through
21 appropriations from the General Assembly or the proceeds of general obligation
22 bonds as provided in this section to either (i) an existing natural gas local distribution
23 company or (ii) a person or a gas district awarded a new franchise, for the
24 construction of natural gas facilities that it otherwise would not be economically
25 feasible for the company or person to construct.

26 (b) The use of funds provided under this section shall be pursuant to an order of
27 the Commission after a public hearing. The Commission shall ensure that all projects
28 for which funds are provided under this section are consistent with the intent of this
29 section and G.S. 62-2(9). In determining whether to approve the use of funds for a
30 particular project pursuant to this section, the Commission shall consider the scope of
31 a proposed project, including the number of unserved counties and the number of
32 anticipated customers that would be served, the total cost of the project, the extent to
33 which the project is considered feasible, and other relevant factors affecting the
34 public interest. In determining economic feasibility, the Commission shall employ the
35 net present value method of analysis on a project specific basis. Only those projects
36 with a negative net present value shall be determined to be economically infeasible
37 for the company or person to construct. In no event shall the Commission provide
38 funding under this section of an amount greater than the negative net present value
39 of any proposed project as determined by the Commission. If at any time a project is
40 determined by the Commission to have become economically feasible, the
41 Commission may require the recipient of funding to remit to the Commission
42 appropriate funds related to the project, and the Commission may order those funds
43 to be returned with interest in a reasonable amount to be determined by the
44 Commission. Funds returned, together with interest, shall be deposited in a special

1 account with the State Treasurer to be used for other expansion projects pursuant to
2 the provisions of this section. Utility plant acquired with expansion funds shall be
3 included in the local distribution company's rate base at zero cost except to the
4 extent such funds have been remitted by the company pursuant to order of the
5 Commission.

6 ✓ (c) To the extent that one or more of the counties included in a proposed project
7 to be funded pursuant to this section are counties affected by the loss of exclusive
8 franchise rights provided for in G.S. 62-36A(b), the Commission may conclude that
9 the public interest requires that the person obtaining the franchise or funding
10 pursuant to this section be given an exclusive franchise and that the existing franchise
11 be canceled. Any new exclusive franchise granted under this subsection shall be
12 subject to the provisions of G.S. 62-36A(b).

13 (d) The Commission, after hearing, shall adopt rules to implement this section as
14 soon as practicable. The Commission and Public Staff shall report to the Joint
15 Legislative Utility Review Committee on the use of funding provided under this
16 section in conjunction with the reports required under G.S. 62-36A."

17 Section 17. G.S. 62-2 reads as rewritten:

18 "§ 62-2. Declaration of policy.

19 (a) Upon investigation, it has been determined that the rates, services and
20 operations of public utilities as defined herein, are affected with the public interest
21 and that the availability of an adequate and reliable supply of electric power and
22 natural gas to the people, economy and government of North Carolina is a matter of
23 public policy. It is hereby declared to be the policy of the State of North Carolina:

- 24 (1) To provide fair regulation of public utilities in the interest of the
25 public;
- 26 (2) To promote the inherent advantage of regulated public utilities;
- 27 (3) To promote adequate, reliable and economical utility service to all
28 of the citizens and residents of the State;
- 29 (3a) To assure that resources necessary to meet future growth through
30 the provision of adequate, reliable utility service include use of the
31 entire spectrum of demand-side options, including but not limited
32 to conservation, load management and efficiency programs, as
33 additional sources of energy supply and/or energy demand
34 reductions. To that end, to require energy planning and fixing of
35 rates in a manner to result in the least cost mix of generation and
36 demand-reduction measures which is achievable, including
37 consideration of appropriate rewards to utilities for efficiency and
38 conservation which decrease utility bills;
- 39 (4) To provide just and reasonable rates and charges for public utility
40 services without unjust discrimination, undue preferences or
41 advantages, or unfair or destructive competitive practices and
42 consistent with long-term management and conservation of energy
43 resources by avoiding wasteful, uneconomic and inefficient uses of
44 energy;

(4a) To assure that facilities necessary to meet future growth can be financed by the utilities operating in this State on terms which are reasonable and fair to both the customers and existing investors of such utilities; and to that end to authorize fixing of rates in such a manner as to result in lower costs of new facilities and lower rates over the operating lives of such new facilities by making provisions in the rate-making process for the investment of public utilities in plants under construction;

(5) To encourage and promote harmony between public utilities, their users and the environment;

(6) To foster the continued service of public utilities on a well-planned and coordinated basis that is consistent with the level of energy needed for the protection of public health and safety and for the promotion of the general welfare as expressed in the State energy policy;

(7) To seek to adjust the rate of growth of regulated energy supply facilities serving the State to the policy requirements of statewide development;

(8) To cooperate with other states and with the federal government in promoting and coordinating interstate and intrastate public utility service and reliability of public utility energy supply; and

(9) To facilitate the construction of facilities in and the extension of natural gas service to unserved areas in order to promote the public welfare throughout the State and to that end to authorize the creation of ~~an expansion fund~~ and funds for ~~each~~ natural gas local distribution ~~company~~ companies to be administered under the supervision of the North Carolina Utilities Commission.

(b) To these ends, therefore, authority shall be vested in the North Carolina Utilities Commission to regulate public utilities generally, their rates, services and operations, and their expansion in relation to long-term energy conservation and management policies and statewide development requirements, and in the manner and in accordance with the policies set forth in this Chapter. Nothing in this Chapter shall be construed to imply any extension of Utilities Commission regulatory jurisdiction over any industry or enterprise that is not subject to the regulatory jurisdiction of said Commission.

Because of technological changes in the equipment and facilities now available and needed to provide telephone and telecommunications services, changes in regulatory policies by the federal government, and changes resulting from the court-ordered divestiture of the American Telephone and Telegraph Company, competitive offerings of certain types of telephone and telecommunications services may be in the public interest. Consequently, authority shall be vested in the North Carolina Utilities Commission to allow competitive offerings of local exchange, exchange access, and long distance services by public utilities defined in G.S. 62-3(23)a.6. and certified in accordance with the provisions of G.S. 62-110, and the Commission is further

1 authorized after notice to affected parties and hearing to deregulate or to exempt
2 from regulation under any or all provisions of this Chapter: (i) a service provided by
3 any public utility as defined in G.S. 62-3(23)a.6. upon a finding that such service is
4 competitive and that such deregulation or exemption from regulation is in the public
5 interest; or (ii) a public utility as defined in G.S. 62-3(23)a.6., or a portion of the
6 business of such public utility, upon a finding that the service or business of such
7 public utility is competitive and that such deregulation or exemption from regulation
8 is in the public interest.

9 The policy and authority stated in this section shall be applicable to common
10 carriers of passengers by motor vehicle and their regulation by the North Carolina
11 Utilities Commission only to the extent that they are consistent with the provisions of
12 the Bus Regulatory Reform Act of 1985.

13 The North Carolina Utilities Commission may develop regulatory policies to
14 govern the provision of telecommunications services to the public which promote
15 efficiency, technological innovation, economic growth, and permit
16 telecommunications utilities a reasonable opportunity to compete in an emerging
17 competitive environment, giving due regard to consumers, stockholders, and
18 maintenance of reasonably affordable local exchange service and long distance
19 service."

20 Section 18. Effective date. Section 14 of this act becomes effective only
21 if the voters approve the issuance of the Clean Water Bonds authorized by this act in
22 the election required by Section 7 of this act. The remaining sections of this act are
23 effective when the act becomes law, and the Utilities Commission shall begin
24 immediately the rule-making process mandated by G.S. 62-159(d), as enacted by
25 Section 17 of this act.

House Bill 1492
Proposed Committee Substitute H1492-CSLX-5/28
Explanation
6/18/98

The proposed committee substitute (PCS) authorizes the issuance of general obligation bonds in the amount of \$1 billion, subject to approval by the voters in a bond referendum, for \$785 million in grants and loans to local governments for water supply systems, wastewater collection systems, wastewater treatment works, water conservation projects, and water reuse projects and for \$215 million in grants, loans, and other financing to public or private entities for the construction of natural gas facilities.

The PCS provides that the bond referendum will be held in November 1998. Two separate questions will appear on the ballot—one for the authorization of clean water bonds and one for the authorization of natural gas bonds.

The PCS provides for the allocation of the bond proceeds as follows:

Total:	\$ 1 billion
A. State water/sewer grants for local governments.	\$465 million
Administered by DENR	
1. Wastewater:	
• less than 75 bond rating or no bond rating	\$ 70 million
• at least or equals 75 bond rating	\$ 80 million
2. Hardship Grant Projects	\$ 20 million
3. Water Supply:	
• less than 75 bond rating or no bond rating	\$ 70 million
• at least or equals 75 bond rating	\$ 80 million
4. State match for EPA loan funds:	\$ 35 million
• \$ 7 million/year for five years	
Administered by Department of Commerce	
5. Economic development grants	\$ 60 million
Administered by Rural Economic Development Center	
6. Supplemental grants:	\$ 50 million
B. Water/sewer loan funds for local governments.	\$320 million
(Direct loans/State pass-through bonds)	
1. Wastewater:	
• less than 75 bond rating	\$ 10 million
• at least or equals 75 bond rating	\$150 million
2. Water Supply:	

- less than 75 million
- at least or equals 75 bond rating

\$ 10 million
\$150 million

C. Natural gas service.

\$215 million

Extend natural gas service to the remaining
22 unserved counties*

*Counties not likely to be served in the next two years

Section-by-Section Analysis

Section 1. Short title is Rural Infrastructure Bond Act of 1998.

Section 2. Purpose of the PCS is to authorize one billion dollars in general obligation bonds. The bond proceeds are to be allocated as follows:

- (1) \$465 million to provide State matching funds for federal moneys and to provide grants to local government units for water and sewer needs.
- (2) \$320 million to provide loans to local government units for water and sewer needs.
- (3) \$215 million to provide grants, loans, or other financing to natural gas distribution companies, persons seeking natural gas distribution franchises, State or local government agencies, or other entities for construction of natural gas facilities.

Section 3. Definitions are set out.

Section 4. Bond bill "boiler plate" language. Authorizes the State Treasurer to issue and sell at any time Clean Water Bonds, subject to a favorable vote of the people. Also authorizes the State Treasurer to issue and sell at any time Natural Gas Bonds, subject to a favorable vote of the people.

Section 5. Specifies what the bond proceeds may be used for and the amount of bond proceeds that may be used for each purpose. The two main purposes are (1) water and sewer needs (Clean Water Bonds) and (2) natural gas needs (Natural Gas Bonds).

The Clean Water Bond proceeds (\$785 million) are divided into two categories, one for grants and one for loans.

Water/Sewer Grants (\$465 million)

The total amount of bond proceeds that is to be used for grants to local governments is \$465 million and is allocated among the Department of Environment and Natural Resources, the Department of Commerce, and the Rural Economic Development Center.

The Department of Environment and Natural Resources is to receive \$355 million in bond proceeds and is to use those proceeds for high unit wastewater grants under the Clean Water Revolving Loan and Grant Fund, for high unit water supply grants under the Clean Water Revolving Loan and Grant Fund, to match federal funds in compliance with the statutory provisions of the Clean Water Revolving Grant and Loan Fund, and for hardship project grants that are awarded

based on criteria developed by the United States Environmental Protection Agency for such grants.

The Department of Commerce is to receive \$60 million to be awarded as economic development grants in compliance with the Industrial Development Fund statutory criteria and the exceptions to those criteria set out in subdivision (2).

The Rural Economic Development Center is to receive \$50 million to use as supplemental grants to local governments in compliance with the criteria set out in subdivision (3).

Water/Sewer Loans (\$320 million)

The total amount of bond proceeds that is to be used for loans to local governments is \$320 million. Those proceeds are allocated to the Department of Environment and Natural Resources to be loaned out in compliance with the statutory criteria under the Revolving Loan and Grant Fund, but not as revolving loans. The repayment of the loans is to be used for debt service on the bonds and does not go into the Revolving Loan and Grant Fund.

Natural Gas Financing (\$215 million)

The total amount of proceeds that is to be used for natural gas needs is \$215 million. Those proceeds may be used to provide any type of financing to natural gas local distribution companies, private entity, public entity or person seeking natural gas distribution franchises for the construction of natural gas facilities. The bond proceeds are to be expended under the direction and supervision of the Director of the Budget. The North Carolina Utilities Commission must report quarterly to the Joint Legislative Commission on governmental Operations, the Chairs of the Senate and House Appropriations Committees, and the Fiscal Research Division on the expenditure of moneys from the Natural Gas Bonds Fund.

Section 6. Bond bill "boiler plate" language. Provides technical provisions governing allocation and disbursement of bond proceeds.

Section 7. Provides that the bond referendum shall be held on the first Tuesday after the first Monday of November 1998. There are two separate questions, one addressing whether \$785 million in general obligation bonds should be issued to make loans and grants to local governments to pay for all or part of the cost of clean water projects, and one addressing whether \$215 million in general obligation bonds should be issued to provide grants, loans, or other financing to public or private entities for the construction of natural gas facilities.

Section 8. Bond bill "boiler plate" language. Provides technical provisions governing bonds, including terms, form, manner of sale, refunding bonds, etc.

Section 9. Bond bill "boiler plate" language. Provides technical provisions governing credit facilities, variable interest rates, redemption, and remarketing.

Section 10. Sets out special provisions and additional criteria governing clean water loans. Provides that the section applies only to loans that are not made from the Clean Water Revolving Loan and Grant Fund. Creates a special Clean Water Bonds Loan Fund for the bond proceeds that are to be used to make loans. Provides that interest on the proceeds may be used for loans for the purposes

indicated in the PCS. Sets out the criteria that must be met to qualify for a loan and the procedures that must be followed both to apply for the loan and to award the loan including hearings and the opportunity for voters to petition for a vote.

Authorizes the State to intercept State funds otherwise distributable to a local unit if the unit fails to repay its loan. Allows inspection by DENR personnel or qualified engineers of a project for which a loan has been made. Authorizes the State Treasurer, the Local Government Commission, and DENR to adopt, modify, and appeal rules as necessary for administration of their various duties. Also includes a reporting requirement.

Section 11. Sets out reporting requirements for the Rural Economic Development Center the Department of Commerce, and the Department of Environment and Natural Resources regarding grants awarded from bond proceeds.

Section 12. Requires the Department of Environment and Natural Resources, the Department of Commerce, and the Rural Economic Development Center to monitor compliance with goals for participation by minority businesses with regard to projects funded by bond proceeds.

Section 13. "Boilerplate language" governing interpretation of the act.

Section 14. Amends G.S. 159G-6 to increase the cap on the total amount of any loan made from the Clean Water Revolving Loan and Grant Fund from three million dollars to five million dollars and to increase the cap on the total amount of any grant made from the Clean Water Revolving Loan Grant Fund from one million dollars to two million dollars. Also makes a technical correction.

Section 15. Provides legislative findings stating the need for additional funding methods, including appropriations and bond proceeds, to facilitate the expansion of natural gas service to unserved areas of the State where such expansion may not be economically feasible with traditional funding methods.

Section 16. Creates new G.S. 62-159 authorizing the Utilities Commission to provide funding for the expansion of natural gas service to unserved areas of the State through appropriations or bond proceeds for the construction of natural gas facilities that it would otherwise not be economically feasible to construct. Provides criteria for the Commission to consider in determining whether to approve the use of funds for a particular project. Provides for a recipient to return project funds to the Commission in the event that the project is later determined to be economically feasible and for returned funds to be used for other expansion projects.

Authorizes the Utilities Commission to cancel an existing franchise and grant a recipient of expansion funds a new exclusive franchise if the public interest requires it. Requires the Commission to report to the Joint Legislative Utility Review Committee on the use of expansion funding.

Section 17. Amends the policy statement in G.S. 62-2 to allow for more than one expansion fund to be established in order to facilitate the expansion of natural gas service to unserved areas of the State.

Section 18. Effective date. With the exception of Section 14, the act is effective when it becomes law. Section 14 becomes effective only if the bond referendum passes. The Utilities Commission must immediately begin rulemaking process when the act becomes law.

Minutes

House Appropriations Sub-Committee on

Natural and Economic Resources

June 24, 1998 - 9:00 a.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met on Wednesday, June 24, 1998 at 9:00 a.m. in Room 605 of the Legislative Office Building. Representative Rex Baker, Co-Chair, called the meeting to order at 9:00 a.m. Members present were Representatives Baker, Mitchell, Carpenter, Owens, Culp, Fox, Hall, Tolson and Weatherly.

After introductions, the following bills were reviewed.

House Bill 1296 *Turnbull State Forest Funds*

Representative Edd Nye, sponsor, explained the bill (see Attachment A &B). Representative Owens asked if this would help school children. Representative Nye replied it would. Representative Mitchell asked what was the return on the \$85,000 appropriation. Representative Nye explained the State would receive a \$300,000 grant from the Weaver Foundation and Turnbull State Forest would receive a portion of the grant. Representative Weatherly asked where was Turnbull State Forest located. Representative Nye replied it is located in Bladen County. Representative Hall asked if this was related to Representative Hill's project. Representative Nye replied it was not related and Representative Hill's project was a forestry museum in Columbus County. Representative Baker asked if the building would require special legislation. Stan Adams from the Forest Resources Division explained the cabin is a kit and professionals such as electricians will be contracted to complete the building.

House Bill 1339 *Technological Development Authority Funds*

Representative Arlie Culp, sponsor, allowed Joe McClees who is the lobbyist for TDA to explain the bill (see Attachment C). Representative Tolson asked if TDA had been in contact with Rocky Mount's CDC to start an incubator. Mr. McClees replied they have been contacted to create a incubator in Rocky Mount. Representative Hall asked for a description of an incubator in which Mr. McClees explained it involves renting office space as well as provides technical and clerical assistance. Representative Hall asked if TDA sponsored Alternate Realities. Mr. McClees replied TDA did sponsor them. Representative Weatherly asked how much did TDA receive in the 1997 budget. Mr. McClees replied TDA received \$3 million in 1997. Representative Weatherly asked what was the request for this year. Mr. McClees replied the total request is for \$16.5 million. Representative Fox asked Mr. McClees to explain the \$10 million project with

North Carolina State University in which he did. Representative Tolson asked if any of the funding would go for construction. Mr. McClees replied the funds will mostly go for renovations.

House Bill 1340 *Technological Development Authority Capital Funds*

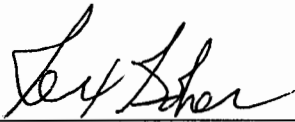
Representative Arlie Culp, sponsor, briefly explained the bill (see Attachment D). Mr. McClees further explained the need for a wet lab and more office space. Representative Owens asked how much of the funding will go for new construction and how much for renovations. John Ciannamea, President of TDA, replied \$250,000-\$300,000 will go to renovations of the existing building and the remainder would be for new construction. Representative Owens asked why would the wet lab space be located in one location instead of throughout the State. Mr. Ciannamea replied that could be done in the future but presently TDA owns the land at RTP. Representative Owens asked why aren't private contractors doing the request if the demand is there. Mr. Ciannamea explained the start-up companies are considered a risk. Representative Fox asked how does the tenant rent the space in which Mr. Ciannamea explained. Representative Fox asked if there are tenants waiting for space. Mr. Ciannamea replied there is a waiting list for space. Representative Owens asked if there is adequate parking at the current location and if relocating had been considered. Mr. Ciannamea replied TDA wants to maximize the property they currently own. Representative Culp asked if copies of the blueprints could be provided to the members. Mr. Ciannamea replied the blueprints could be provided. Representative Mitchell asked what would be the choice if funding could be provided for one of the two bills (HB 1339 & HB 1340). Mr. Ciannamea replied the funding for operation is needed more.

House Bill 1286 *Blue Ridge Destination Center Funds*

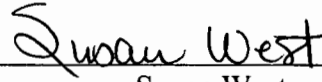
Representative Wilma Sherrill, sponsor, explained the bill (see Attachment E). Rick Webb, former Executive Director of Advantage West, further explained the concept and noted the importance of its location. Representative Owens asked how large would the theater be. Mr. Webb replied the seating capacity would 300 seats with additional meeting space. Representative Owens asked if it would need additional funds for future operation. Representative Sherrill replied it would not require additional funds. Representative Tolson asked if this is a giant screen theater. Mr. Webb replied it is. Representative Fox asked if arrangements had been made for future funding. Representative Sherrill replied there is no intention on having to return in the future for additional funding. Representative Mitchell what assurance does the State have that Congress will appropriate their portion of the funding. Representative Sherrill replied the State should know before the State's budget is agreed to. Representative Mitchell asked if there was a preference for the funding to go for the Destination Center or the purchase of Jocassee Gorge. Representative Sherrill responded \$3.5 million is a small price to pay considering the return it would bring to the State. Representative Hall asked if this duplicates what the visitor centers are doing. Representative Sherrill replied it does not duplicate or compare to the visitor centers.

The meeting adjourned at 9:55 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Rex Baker", positioned above a horizontal line.

Rex Baker
Co-Chair

A handwritten signature in cursive script, appearing to read "Susan West", positioned above a horizontal line.

Susan West
Clerk

**House Appropriations Sub-Committee on
Natural and Economic Resources**

June 24, 1998

9:00 a.m.

I. Introductions

II. Review of Bills

House Bill 1286

Blue Ridge Destination Center Funds
Representative Wilma Sherrill

House Bill 1296

Turnbull State Forest Funds
Representative Edd Nye

House Bill 1339

NC Technological Development Authority Funds
Representative Arlie Culp

House Bill 1340

NC Technological Development Authority Capital Funds
Representative Arlie Culp

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1296

Short Title: Turnbull State Forest Funds.

(Public)

Sponsors: Representative Nye.

Referred to: Appropriations.

May 18, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR A MULTIPURPOSE FORESTRY
3 CENTER AT THE TURNBULL EDUCATIONAL STATE FOREST.
4 The General Assembly of North Carolina enacts:
5 Section 1. There is appropriated from the General Fund to the
6 Department of Environment and Natural Resources, Forest Resources Division, the
7 sum of eighty-five thousand dollars (\$85,000) for the 1998-99 fiscal year to construct a
8 multipurpose forestry center at the Turnbull Educational State Forest.
9 Section 2. This act becomes effective July 1, 1998.

TURNBULL CREEK FORESTRY CENTER PROJECT

BACKGROUND

The North Carolina Forest Service, through the efforts of its Education and Information Section, has been awarded a \$300,000.00 grant from the Weaver Foundation for the design, development, and construction of exhibits for each of North Carolina's six Education State Forests. The exhibits have been designed and construction is underway. Each exhibit focuses on the individuality of each Educational State Forest's environment. The exhibits are designed for hands-on learning and visitor interaction. Turnbull Creek Educational State Forest, located near ELIZABETHTOWN, North Carolina, will receive one of the Weaver Foundation Grant exhibits.

NEEDS

We, Turnbull Creek Educational State Forest, are seeking funds for building a log cabin-style structure to house this exhibit, as well as supply an indoor interpretation area/classroom. To construct this multipurpose building, we require a structure 34 feet by 50 feet. The main focus of this project will be to house the environmental education exhibit. The classroom part of the building will allow Turnbull Creek Educational State Forest staff to host visitors and students during inclement weather as well as provide an alternative classroom for regional teachers within an eleven-county area. The Classroom would also be used by North Carolina Forest Service as well as other state agencies for training sessions.

FUNDING

To complete this meaningful construction project, we need \$85,000.00. This amount will include: log cabin materials, foundation, electrical wiring, climate control system, and interior and exterior stains and finishes. The staff of Turnbull Creek Educational State Forest and the North Carolina Forest Service will build the cabin. We are asking for the support of the educational community and legislators within Turnbull Creek Educational State Forest's service area in sponsoring and supporting a bill before the North Carolina General Assembly. We ask that this bill request the amount for this worthwhile project. The importance of this building to your Educational State Forest and our community will be felt for years to come. Our environment and its importance should be presented to the public, and this endeavor will only enhance our efforts in this regard.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

1

HOUSE BILL 1339

Short Title: NC TDA Funds.

(Public)

Sponsors: Representatives Culp; Allen, Carpenter, Kiser, Weatherly, Sexton, and Watson.

Referred to: Appropriations.

May 20, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO SUPPORT PROGRAMS OF THE
3 NORTH CAROLINA TECHNOLOGICAL DEVELOPMENT AUTHORITY,
4 INC.
5 The General Assembly of North Carolina enacts:
6 Section 1. There is appropriated from the General Fund to the
7 Department of Commerce the sum of ten million dollars (\$10,000,000) for the 1998-
8 99 fiscal year to be allocated to North Carolina Technological Development
9 Authority, Inc., a nonprofit corporation, for entrepreneurial support and
10 infrastructure including creating new business incubators, enhancing existing
11 incubators, developing capital formation initiatives, and supporting research
12 commercialization programs.
13 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1340

Short Title: NC TDA Capital Funds.

(Public)

Sponsors: Representatives Culp; Allen, Carpenter, Kiser, Weatherly, Sexton, and Watson.

Referred to: Appropriations.

May 20, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO NORTH CAROLINA
3 TECHNOLOGICAL DEVELOPMENT AUTHORITY, INC., FOR THE
4 CONSTRUCTION AND RENOVATION OF BUILDINGS.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the
7 Department of Commerce the sum of six million five hundred thousand dollars
8 (\$6,500,000) for the 1998-99 fiscal year to be allocated to North Carolina
9 Technological Development Authority, Inc., a nonprofit corporation, for the
10 following:

- 11 (1) To construct and upfit a building on the property owned by North
12 Carolina Technological Development Authority, Inc., in the
13 Research Triangle Park, to contain wet lab and office space for use
14 by entrepreneurial concerns.
15 (2) To renovate the existing building owned by North Carolina
16 Technological Development Authority, Inc., in the Research
17 Triangle Park.

18 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1286

Short Title: Blue Ridge Destination Ctr Funds.

(Public)

Sponsors: Representatives Sherrill; Cansler and Nesbitt.

Referred to: Appropriations.

May 18, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF COMMERCE
3 FOR THE CONSTRUCTION OF THE BLUE RIDGE REGIONAL
4 DESTINATION CENTER.
5 The General Assembly of North Carolina enacts:
6 Section 1. There is appropriated from the General Fund to the
7 Department of Commerce the sum of three million five hundred thousand dollars
8 (\$3,500,000) for the 1998-99 fiscal year for the construction of the Blue Ridge
9 Regional Destination Center to be located next to the Blue Ridge Parkway
10 Headquarters Building in Buncombe County. The Center will house a Basic Visitors'
11 Service, a Visitors' Information Gallery, a Visitors' Interpretive Gallery, and a giant
12 screen theatre to maximize tourism development along the Blue Ridge Parkway and
13 in Western North Carolina. These funds shall be used to match federal funds that
14 may become available for this purpose.
15 Section 2. This act becomes effective July 1, 1998.

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES

JUNE 25, 1998

The House Appropriations Subcommittee on Natural and Economic Resources met at 8:30 a.m. on June 25, 1998 in Room 605 in the Legislative Office Building. Representative Joe Tolson presided and the following members were present: Representatives Mitchell, Baker and Carpenter, Co-Chairs; Representatives Allen, Culp, Fox, Hall, H. Hunter, Owens, and Weatherly. Visitor registration sheet is attached and made part of the minutes.

Presiding Chairman Joe Tolson recognized the pages, Cameron and Catherine Howes, from Orange County. He then recognized Representative Jim Carpenter to discuss HB 1492 - Rural Infrastructure Bonds. Representative Carpenter explained that the bill came from the House Select Committee on Rural Infrastructure Development which was composed of the following members: Representatives Carpenter, Baker, Buchanan, R. Hunter, Owens and G. Wilson. Rep. Carpenter asked the committee to please look at the PCS with changes from the original bill listed on the explanation sheet instead of the original bill.

After numerous questions from members, Representative Baker submitted two amendments for discussion (attachments 1 & 2). After discussion on Rep. Baker's amendments, Representative Owens made a substitute motion for an amendment to delete lines 23 - 28 on page 1 and line 1 - 2 on page 2 of Attachment 1 (attachment 3). Rep. Owens felt like it would reverse his "Use it or lose it" bill that was passed last year. Rep. Owens amendment passed. Rep. Baker explained the rest of his amendments which were approved as changed. Rep. Owens presented a perfecting amendment to delete lines 1 - 9 and substituting "moves to amend the bill on page 39, line 3" (attachment 4). Rep. Carpenter spoke against the perfecting amendment. Amendment failed. Rep. Mitchell moved for a favorable report to the PCS as amended and that it be moved to Finance.

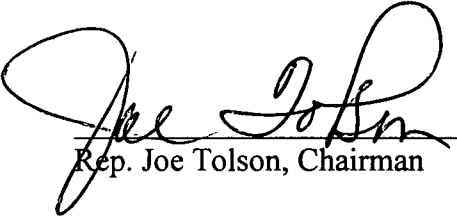
Rep. Jean Preston explained HB 1411 - Up Admin. Cap for Fisheries Grant Program. Rep. Baker suggested that a special provision might work better for her. No action was taken on the bill.

Rep. Dewey Hill explained HB 1379 - New Hanover/Beaver Damage Funds. Rep. Mitchell asked staff to look into including other counties. No vote was taken.

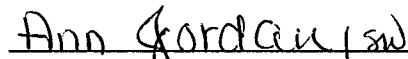
Rep. Hill then explained HB 1416 - Sedimentation Control Funds. No vote was taken.

Rep. Jim Carpenter explained HB 1381 - Junaluska Creek Damage Funds. No action was taken.

The meeting adjourned at 10:15 a.m.



Rep. Joe Tolson, Chairman



Ann Jordan, Committee Clerk

**House Appropriations Sub-Committee on
Natural and Economic Resources**

Thursday, June 25, 1998

9:00 a.m.

AGENDA

I. Introductions

II. Review of Bills

House Bill 1492

Rural Infrastructure Bonds
Representative Jim Carpenter

House Bill 1381

Junaluska Creek Damage Funds
Representative Jim Carpenter

House Bill 1411

Increase Fisheries Grant Program Administration Cap
Representative Jean Preston

House Bill 1379

New Hanover/Beaver Damage Funds
Representative Dewey Hill

House Bill 1416

Sedimentation Control Funds
Representative Dewey Hill

1

June 18, 1998

Date _____

[illegible][illegible]

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

D

HOUSE BILL 1492

Committee Substitute Favorable 6/17/98

Proposed Committee Substitute H1492-CSLX-6/22

WARNING: LINE NUMBERS MAY CHANGE AFTER ADOPTION.

Short Title: Rural Infrastructure Bonds.

(Public)

Sponsors:

Referred to:

May 25, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF
3 THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE
4 STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY
5 PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT
6 UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS,
7 WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER
8 REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO
9 PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS
10 FACILITIES.
11 The General Assembly of North Carolina enacts:
12 Section 1. Short title. This act shall be known as the
13 "Rural Infrastructure Bond Act of 1998".
14 Section 2. Purpose. It is the intent of the General
15 Assembly by this act to provide for the issuance of general
16 obligation bonds of the State and to provide that the proceeds
17 realized from the sale of the bonds shall be allocated as
18 follows:
19 (a) Clean Water Bonds.
20 (1) \$465,000,000 to provide State matching funds
21 required to receive federal wastewater or water

1 supply assistance funds and to provide additional
2 funding for the Clean Water Revolving Loan and
3 Grant Fund established in Chapter 159G of the
4 General Statutes or to provide funding by grants to
5 local government units for wastewater treatment and
6 water supply and distribution needs;

- 7 (2) \$320,000,000 to provide loans to local government
8 units to finance all or a portion of the cost of
9 construction, improvements, enlargements,
10 extensions, and reconstruction of water supply and
11 distribution systems, wastewater collection
12 systems, wastewater treatment works, water
13 conservation projects, and water reuse projects.

14 The funds to be derived from the sale of the
15 Clean Water Bonds authorized by this act are
16 sufficient to meet no more than a fraction of the
17 needs that now exist and will arise in the
18 immediate future. For this reason, although public
19 necessity, the criteria established by Chapter 159G
20 of the General Statutes, and the guidelines
21 established by the United States Environmental
22 Protection Agency Hardship Grants Program shall be
23 the primary consideration in granting and loaning
24 funds, great emphasis shall also be placed on the
25 creation of efficient systems of regional
26 wastewater disposal and regional water supply and
27 on the willingness and ability of local government
28 units to meet their responsibilities through sound
29 fiscal policies, creative planning, and efficient
30 operation and management.

31 (b) Natural Gas Bonds.

32 \$215,000,000 to provide grants, loans, or other
33 financing to natural gas local distribution
34 companies, persons seeking natural gas distribution
35 franchises, State or local government agencies, or
36 other entities for construction of natural gas
37 facilities.

38 Section 3. Definitions. As used in this act, unless
39 the context otherwise requires:

- 40 (1) "Bond rating" means the numerical rating of a unit
41 of local government developed by the NCMC. The
42 rating formula is based on 100 being a
43 theoretically 'perfect' unit of local government
44 and is an assessment of the creditworthiness of the

- 1 unit. Units of local government with a rating
2 below 75 or with no ratings have limited, if any,
3 access to the private markets for financing water
4 and sewer or other debt.
- 5 (2) "Bonds" means bonds issued under this act.
- 6 (3) "Capacity grant" means a grant awarded by the Rural
7 Economic Development Center to a local government
8 unit to pay all or a portion of the cost associated
9 with the planning and writing of a grant or loan
10 application, a capital improvement plan, or other
11 efforts that support growth and development of
12 rural areas.
- 13 (4) "Capital improvement plan" means a report that
14 identifies water and sewer infrastructure and
15 capital needs that address planned and strategic
16 growth. It shall include an assessment of current
17 water and wastewater systems and a projection of
18 those infrastructure needs over a 20-year horizon.
19 The report shall take into consideration government
20 mandates, usefulness of the improvements to the
21 community and the effect on both short and long-
22 term operation and maintenance of the scheduled
23 improvements and identifies alternatives for
24 meeting the identified need including
25 regionalization, consolidation and system mergers,
26 water reuse and conservation.
- 27 (5) "Clean Water Revolving Loan and Grant Act" means
28 Chapter 796 of the 1987 Session Laws, as amended
29 from time to time, codified as Chapter 159G of the
30 General Statutes.
- 31 (6) "Clean Water Revolving Loan and Grant Fund" means
32 the Clean Water Revolving Loan and Grant Fund as
33 defined in the Clean Water Revolving Loan and Grant
34 Act.
- 35 (7) "Cost" means, without intending thereby to limit or
36 restrict any proper definition of this term in
37 financing the cost of facilities or purposes
38 authorized by this act:
- 39 a. The cost of constructing, reconstructing,
40 enlarging, acquiring, and improving
41 facilities, and acquiring equipment and land
42 therefor,
- 43 b. The cost of engineering, architectural, and
44 other consulting services as may be required,

- 1 c. Administrative expenses and charges,
2 d. Finance charges and interest prior to and
3 during construction and, if deemed advisable
4 by the State Treasurer, for a period not
5 exceeding two years after the estimated date
6 of completion of construction,
7 e. The cost of bond insurance, investment
8 contracts, credit enhancement and liquidity
9 facilities, interest-rate swap agreements or
10 other derivative products, financial and legal
11 consultants, and related costs of bond and
12 note issuance, to the extent and as determined
13 by the State Treasurer,
14 f. The cost of reimbursing the State for any
15 payments made for any cost described above,
16 and
17 g. Any other costs and expenses necessary or
18 incidental to the purposes of this act.

19 Allocations in this act of proceeds of bonds to the
20 costs of a project or undertaking in each case may
21 include allocations to pay the costs set forth in
22 items c., d., e., f., and g. in connection with the
23 issuance of bonds for the project or undertaking.

- 24 (8) "Credit Facility" means an agreement entered into
25 by the State Treasurer on behalf of the State with
26 a bank, savings and loan association, or other
27 banking institution, an insurance company,
28 reinsurance company, surety company, or other
29 insurance institution, a corporation, investment
30 banking firm, or other investment institution, or
31 any financial institution or other similar provider
32 of a credit facility, which provider may be located
33 within or without the United States of America,
34 such agreement providing for prompt payment of all
35 or any part of the principal or purchase price
36 (whether at maturity, presentment or tender for
37 purchase, redemption or acceleration), redemption
38 premium, if any, and interest on any bonds or notes
39 payable on demand or tender by the owner, in
40 consideration of the State agreeing to repay the
41 provider of the credit facility in accordance with
42 the terms and provisions of such agreement.

- 43 (9) "Economically Depressed Area" means any of the
44 following:

- 1 a. An economically distressed county as defined
- 2 in G.S. 143B-437.01.
- 3 b. That part of a rural county whose poverty rate
- 4 is at least one hundred fifty percent (150%)
- 5 of the State poverty rate. For the purpose of
- 6 this section, the poverty rate is the
- 7 percentage of the population with income below
- 8 the latest annual federal poverty guidelines
- 9 issued by the United States Department of
- 10 Health and Human Resources.
- 11 c. That part of a rural county that experiences
- 12 an actual or imminent loss of manufacturing
- 13 jobs in a number that is equal to or exceeds
- 14 five percent (5%) of the total number of
- 15 manufacturing jobs in the part.
- 16 (10) "Local Government Units" means local government
- 17 units as defined in the Clean Water Revolving Loan
- 18 and Grant Act.
- 19 (11) "NCMC" means the North Carolina Municipal Council,
- 20 Inc., a nonprofit North Carolina corporation which
- 21 provides bond ratings, or any successor thereto. In
- 22 the event such corporation dissolves or no longer
- 23 performs the functions contemplated herein, such
- 24 term shall mean that comparable corporation
- 25 designated by the State Treasurer.
- 26 (12) "Notes" means notes issued under this act.
- 27 (13) "Par Formula" means any provision or formula
- 28 adopted by the State to provide for the adjustment,
- 29 from time to time, of the interest rate or rates
- 30 borne by any bonds or notes, including:
- 31 a. A provision providing for such adjustment so
- 32 that the purchase price of such bonds or notes
- 33 in the open market would be as close to par as
- 34 possible,
- 35 b. A provision providing for such adjustment
- 36 based upon a percentage or percentages of a
- 37 prime rate or base rate, which percentage or
- 38 percentages may vary or be applied for
- 39 different periods of time, or
- 40 c. Such other provision as the State Treasurer
- 41 may determine to be consistent with this act
- 42 and will not materially and adversely affect
- 43 the financial position of the State and the

- 1 marketing of bonds or notes at a reasonable
2 interest cost to the State.
- 3 (14) "Rural County" means a county with a density of
4 fewer than 200 people per square mile based on the
5 United States census.
- 6 (15) "Rural Economic Development Center" means the Rural
7 Economic Development Center, Inc., a nonprofit
8 North Carolina corporation, or any successor
9 thereto. In the event such corporation dissolves
10 or no longer performs the functions contemplated
11 herein, such term shall mean that comparable
12 corporation designated by the Governor.
- 13 (16) "State" means the State of North Carolina.
- 14 (17) "Supplemental grant" means a grant awarded by the
15 Rural Economic Development Center to a local
16 government unit to assist in financing wastewater
17 collection systems, wastewater treatment works,
18 water conservation projects, water reuse projects,
19 or water supply systems. Supplemental grant funds
20 shall supplement other funding and shall not
21 represent more than fifty percent (50%) of the
22 total costs of the wastewater collection systems,
23 wastewater treatment works water conservation
24 projects, water reuse projects, or water supply
25 systems financed.
- 26 (18) "Unsewered Communities" means those communities
27 lacking centralized, publicly owned wastewater
28 treatment collection systems and wastewater
29 treatment works.
- 30 (19) "Wastewater Collection Systems" means wastewater
31 collection systems as defined in the Clean Water
32 Revolving Loan and Grant Act.
- 33 (20) "Wastewater Treatment Works" means wastewater
34 treatment works as defined in the Clean Water
35 Revolving Loan and Grant Act.
- 36 (21) "Water Conservation Projects" include, but are not
37 limited to, any construction, repair, renovation,
38 expansion, replacement of components, or other
39 capital improvement, including related equipment
40 and land acquisition, designed to:
- 41 a. Eliminate the wasteful or unnecessary use or
42 loss of water in the operations of a
43 wastewater collection system, wastewater
44 treatment works, or water supply system; or

1 b. Enhance the operation of a wastewater
2 collection system, wastewater treatment works,
3 or water supply system to provide a more
4 efficient use of water.

5 (22) "Water Pollution Control Revolving Fund" means the
6 fund described by G.S. 159G-4(a) and G.S.
7 159G-5(c).

8 (23) "Water Reuse" means the actual use or application
9 of treated wastewater in or on areas which require
10 water but do not require potable water quality.

11 (24) "Water Supply Systems" means water supply systems
12 as defined in the Clean Water Revolving Loan and
13 Grant Act.

14 Section 4. Authorization of bonds and notes. (a) Clean
15 Water Bonds. Subject to a favorable vote of a majority of the
16 qualified voters of the State who vote on the question of issuing
17 Clean Water Bonds in the election called and held as provided in
18 this act, the State Treasurer is hereby authorized, by and with
19 the consent of the Council of State, to issue and sell, at one
20 time or from time to time, general obligation bonds of the State
21 to be designated "State of North Carolina Clean Water Bonds",
22 with any additional designations as may be determined to indicate
23 the issuance of bonds from time to time, or notes of the State as
24 provided in this act, in an aggregate principal amount not
25 exceeding seven hundred eighty-five million dollars
26 (\$785,000,000) for the purpose of providing funds, with any other
27 available funds, for the purposes authorized in this act.

28 (b) Natural Gas Bonds. Subject to a favorable vote of a
29 majority of the qualified voters of the State who vote on the
30 question of issuing Natural Gas Bonds in the election called and
31 held as provided in this act, the State Treasurer is hereby
32 authorized, by and with the consent of the Council of State, to
33 issue and sell, at one time or from time to time, general
34 obligation bonds of the State to be designated "State of North
35 Carolina Natural Gas Bonds", with any additional designations as
36 may be determined to indicate the issuance of bonds from time to
37 time, or notes of the State as provided in this act, in an
38 aggregate principal amount not exceeding two hundred fifteen
39 million dollars (\$215,000,000) for the purpose of providing
40 funds, with any other available funds, for the purposes
41 authorized in this act.

42 Section 5. Uses of bond and note proceeds.

1 (a) Clean Water Bonds. The proceeds of Clean Water Bonds and
2 notes shall be used for the purpose of making loans and grants to
3 local governments as follows:

4 (1) The proceeds of three hundred fifty-five million
5 dollars (\$355,000,000) of Clean Water Bonds shall
6 be used by the Department of Environment and
7 Natural Resources to provide State matching funds
8 required to receive federal wastewater or water
9 supply assistance funds, for grants to local
10 government units for the same purposes for which
11 funds in the Clean Water Revolving Loan and Grant
12 Fund may be used, and for grants to fund hardship
13 projects in accordance with the guidelines
14 established by the United States Environmental
15 Protection Agency Hardship Grants Program. The
16 grants shall be made for the purpose of paying the
17 cost of water supply systems, wastewater collection
18 systems, and wastewater treatment works, water
19 conservation projects, and water reuse projects.

20 Of the proceeds of the three hundred fifty-five
21 million dollars (\$355,000,000) referred to in this
22 Section 5(a)(1) above, the sum of three hundred
23 million dollars (\$300,000,000) shall be allocated
24 as follows:

- 25 a. High-Unit Cost Wastewater Account
26 1. Reserved for grants to local government
27 units whose bond rating is less than 75
28 or who have no bond rating... \$70,000,000
29 2. Reserved for grants to local government
30 units whose bond rating is 75 or greater
31 \$80,000,000
32 b. High-Unit Cost Water Supply Account
33 1. Reserved for grants to local government
34 units whose bond rating is less than 75
35 or who have no bond rating...\$70,000,000
36 2. Reserved for grants to local government
37 units whose bond rating is 75
38 or greater\$80,000,000

39 The proceeds may be (i) transferred directly to
40 the Clean Water Revolving Loan and Grant Fund to
41 make grants, (ii) used to make grants directly to
42 the appropriate local government qualifying for a
43 grant from the Clean Water Revolving Loan and Grant
44 Fund, (iii) used for any combination of (i) and

1 (ii), or (iv) used in such other manner as shall
2 effectuate the clean water purposes of this act.
3 ~~~~The funds to be derived from the sale of the
4 Clean Water Bonds authorized by this act are
5 sufficient to meet no more than a fraction of the
6 needs that now exist and will arise in the
7 immediate future. For this reason, although public
8 necessity, the criteria established by Chapter 159G
9 of the General Statutes, and the guidelines
10 established by the United States Environmental
11 Protection Agency Hardship Grants Program shall be
12 the primary consideration in granting and loaning
13 funds, great emphasis shall also be placed on the
14 creation of efficient systems of regional
15 wastewater disposal and regional water supply and
16 on the willingness and ability of local government
17 units to meet their responsibilities through sound
18 fiscal policies, creative planning, and efficient
19 operation and management, and on having a capital
20 improvement plan. Of the proceeds
21 of the three hundred fifty-five million dollars referred to in
22 this Section 5(a)(1) above, the sum of thirty-five million
23 dollars (\$35,000,000) shall be used to provide State funds
24 necessary for the 1999-2000, 2000-2001, 2001-2002, 2002-2003, and
25 2003-2004 fiscal years to match the federal wastewater or water
26 supply assistance funds deposited in the Water Pollution Control
27 Revolving Fund or another fund that is used to pay the cost of
28 water supply systems, wastewater collection systems, or
29 wastewater treatment works and is eligible to receive federal
30 matching funds, unless the General Assembly has provided the
31 required match through other sources, in which event this
32 priority shall cease to exist to the extent of the availability
33 of the other sources. The Department of Environment and Natural
34 Resources shall certify to the State Treasurer the amount of
35 funds required for the State match for each of the fiscal years
36 ending June 30, 1999, June 30, 2000, June 30, 2001, June 30,
37 2002, June 30, 2003, and June 30, 2004, and the extent to which
38 the General Assembly has provided other funds for this purpose.
39 Upon certification each year of the amount of funds required for
40 the State match for that fiscal year, the State Treasurer may
41 issue from the thirty-five million dollars (\$35,000,000) the
42 amount certified up to thirty-five million dollars (\$35,000,000).
43 Upon certification for the State match required for the fiscal
44 year ending June 30, 2004, the State Treasurer may issue the

1 remaining balance of the thirty-five million dollars
2 (\$35,000,000) of the Clean Water Bonds authorized by this
3 subdivision for the purpose of funding the State match for that
4 fiscal year and for any other purposes authorized by this
5 subdivision. The proceeds of the bonds necessary for the State
6 match for each fiscal year shall be deposited in the Water
7 Pollution Control Revolving Fund or another appropriate fund or
8 account determined by the State Treasurer.

9 Of the proceeds of the three hundred fifty-five
10 million dollars referred to in this Section 5(a)(1)
11 above, the sum of twenty million dollars
12 (\$20,000,000) shall be used to provide hardship
13 grants to eligible local government units to assist
14 with wastewater treatment works and wastewater
15 collection systems. Such grants shall be awarded
16 and administered by the Department of Environment
17 and Natural Resources in accordance with the
18 guidelines established by the United States EPA
19 Hardship Grants Program.

20 ~~~~Although public necessity, the criteria
21 established by Chapter 159G of the General
22 Statutes, and the guidelines established by the
23 United States Environmental Protection Agency
24 Hardship Grants Program shall be the primary
25 consideration in granting and loaning funds, great
26 emphasis shall also be placed on the creation of
27 efficient systems of regional wastewater disposal
28 and regional water supply and on the willingness
29 and ability of local government units to meet their
30 responsibilities through sound fiscal policies,
31 creative planning, and efficient operation and
32 management, and on having a capital improvement
33 plan.

34 (2) The proceeds of sixty million dollars (\$60,000,000)
35 of Clean Water Bonds shall be used for the purpose
36 of making grants to local government units to pay
37 the cost of clean water projects in connection with
38 the location of industry to, and expansion of
39 industry in, the State. These grants shall be
40 awarded and administered by the Department of
41 Commerce. These funds shall be applied to pay the
42 costs of grants awarded in the same manner as funds
43 in the Industrial Development Fund created in G.S.
44 143B-437.01(a), for use in accordance with G.S.

143B-437.01(a), subject to the further limitations on the provisions of G.S. 143B-437.01(a) set forth below, and shall be applied to pay the costs of grants awarded in the same manner as funds in the Utility Account of the Industrial Development Fund created in G.S. 143B-437.01(b1), for use in accordance with G.S. 143B-437.01(b1), subject to the further limitations on the provisions of G.S. 143B-437.01(b1) set forth below. In applying the provisions of G.S. 143B-437.01(a) or G.S. 143B-437.01(b1), as the case may be, the following exceptions shall apply:

- a. The funds shall be used only for grants to local governments, not for loans.
- b. Grants shall be awarded only to projects the Secretary of Commerce finds will have a favorable impact on the clean water objectives of the State.
- c. The only purposes for which grants may be made are construction of or improvements to new or existing water or sewer distribution lines or equipment, construction of or improvements to new or existing wastewater treatment works, or improvements that will expand the capacity of existing wastewater treatment works or water supply systems.
- d. The projects may be located only in counties that are economically distressed as defined in G.S. 143B-437.01 or have a population of less than 50,000.
- e. Grants may be made with respect to the following industries as defined in G.S. 105-129.2: manufacturing and processing, and warehousing and wholesale trades.
- f. No match is required for the grants.
- g. The provisions of G.S. 143B-437.01(a) or G.S. 143B-437.01(b), as the case may be, that limit the expenditure of funds to costs of utility lines or facilities located on the site of the new or proposed industrial building or that are directly related to the operation of the specific industrial activity at the building, shall not apply if the utility lines or

1 facilities being provided will further the
2 clean water objectives of the State.

3 The General Assembly finds that the purpose of
4 providing water and sewer distribution lines and
5 wastewater treatment works in economically
6 distressed counties is to provide clean water in
7 North Carolina in several different ways. First,
8 these projects will reduce industrial reliance on
9 wells, septic tanks, and other similar facilities.
10 Second, when a distribution line is extended to an
11 industrial facility in an area not otherwise served
12 by water and sewer infrastructure, residents, other
13 businesses, and local governments can hook into the
14 distribution line, bringing clean water, wastewater
15 treatment, or both to the unserved area. Also, the
16 installation and expansion of water supply and
17 wastewater treatment facilities to provide water
18 supply and wastewater treatment in connection with
19 new or expanding industry will result in additional
20 water supply and treatment facilities available to
21 the residents, other businesses, and local
22 governments in the area where the installation or
23 expansion occurs.

24 The proceeds of the Clean Water Bonds, issued
25 for the purpose described in this Section 5(a)(2),
26 shall be held in the Clean Water Bonds Fund until
27 needed for expenditure by the grantee for the
28 payment of the cost for the purpose for which the
29 grant is made. The Department of Commerce shall
30 maintain records that document the timing and
31 purpose for which each expenditure of proceeds of a
32 grant is made.

33 (3) The proceeds of fifty million dollars
34 (\$50,000,000) of Clean Water Bonds shall be used to
35 provide supplemental and capacity grants to
36 eligible local government units to match federal,
37 State, and other grant or loan program funds to
38 plan or improve needed water and sewer projects in
39 economically depressed areas of North Carolina.
40 Such grants shall be awarded and administered by
41 the Rural Economic Development Center. Those
42 proceeds shall be allocated as follows:

- 43 a. Supplemental Grants.....\$40,000,000
44 b. Capacity Grants.....\$10,000,000

1 The Rural Economic Development Center shall
2 certify to the State Treasurer the amount of funds
3 required, not to exceed eight million dollars
4 (\$8,000,000) for supplemental grants, not to exceed
5 two million dollars (\$2,000,000) for capacity
6 grants, and not to exceed a total of ten million
7 dollars (\$10,000,000) in supplemental and capacity
8 grants, for each of the fiscal years ending June
9 30, 1999, June 30, 2000, June 30, 2001, June 30,
10 2002, June 30, 2003, and June 30, 2004. Upon
11 certification each year of the amount of funds
12 required for that fiscal year, the State Treasurer
13 may issue the amount certified up to ten million
14 dollars (\$10,000,000). Upon certification for the
15 fiscal year ending June 30, 2004, the State
16 Treasurer may issue the remaining balance of the
17 fifty million dollars (\$50,000,000) of the Clean
18 Water Bonds authorized by this subdivision for any
19 other purposes authorized by this subdivision.

20 Grants made from the proceeds of this fifty
21 million dollars (\$50,000,000) for supplemental
22 grants shall be based on the following criteria:

- 23 a. The applicant shall be a local government
24 unit.
- 25 b. The applicant shall be a rural county or a
26 local government unit located in a rural
27 county.
- 28 c. First priority shall be given to a water
29 supply system, wastewater collection system,
30 or wastewater treatment work that creates or
31 retains jobs. A water supply system,
32 wastewater collection system, or wastewater
33 treatment work shall also receive funding
34 priority if the project is located in an
35 economically distressed county as defined by
36 G.S. 143B-437.01.
- 37 d. A water supply system, wastewater collection
38 system, or wastewater treatment work that is
39 proposed in a nondistressed county must meet
40 at least one of the following criteria: (i)
41 be located in that part of a rural
42 nondistressed county where the poverty rate is
43 at least one hundred fifty percent (150%) of
44 the State poverty rate, (ii) be located in

1 that part of a rural nondistressed county
2 where the unemployment rate is at least double
3 the State unemployment rate for the most
4 recent reporting period available, or (iii) be
5 located in that part of a rural nondistressed
6 county that experiences an actual or imminent
7 loss of jobs in a number that equals or
8 exceeds five percent (5%) of the total number
9 of jobs in that part of the county. Any
10 grant awarded for a water supply system,
11 wastewater collection system, or wastewater
12 treatment work in a nondistressed county shall
13 be matched on a dollar-for-dollar basis in the
14 amount of the grant awarded.

15 ~~~~~Although public necessity and the criteria
16 listed above shall be the primary
17 consideration in granting and loaning funds,
18 great emphasis shall also be placed on the
19 creation of efficient systems of regional
20 wastewater disposal and regional water supply
21 and on the willingness and ability of local
22 government units to meet their
23 responsibilities through sound fiscal
24 policies, creative planning, and efficient
25 operation and management, and on having a
26 capital improvement plan. However, funds
27 shall not be expended for the repair or
28 replacement of low-pressure pipe wastewater
29 systems.

30 The Rural Economic Development Center shall
31 award grants to units of local government for the
32 purposes authorized by this Section 5(a)(2) in
33 accordance with the criteria set forth above. When
34 the Rural Economic Development Center authorizes a
35 grant, the Rural Economic Development Center shall
36 notify the State Treasurer of the authorization and
37 shall submit to the State Treasurer the grant
38 application and records relevant to the grant's
39 authorization. The State Treasurer shall review
40 the grant and relevant documents to verify that the
41 grant complies with the requirements of this act.
42 The State Treasurer shall complete the review no
43 later than 30 days after the receipt of the grant
44 application and relevant records from the Rural

Economic Development Center, and shall notify the Rural Economic Development Center that the review has been completed and of the State Treasurer's findings.

~~~~The proceeds of the Clean Water Bonds issued for the purpose described in this Section shall be held in the Clean Water Bonds Fund until needed for expenditure by the grantee for the payment of costs for the purposes for which the grant is made. The Rural Economic Development Center shall maintain records that document the timing and purpose for which each expenditure of proceeds of a grant is made and shall furnish such records to the State Treasurer at the time a request for payment to or on behalf of a grantee is to be made.

~~~~At the end of each fiscal year, the Rural Economic Development Center shall provide to the State Treasurer any records that document the timing and purposes of the expenditures by the grantee units of local government of the proceeds of the grants funded from the proceeds of the Clean Water Bonds during that fiscal year that have not already been provided to the State Treasurer.

(4) The proceeds of three hundred twenty million dollars (\$320,000,000) of Clean Water Bonds shall be used for the purpose of making loans to local government units to pay the cost of water supply systems, water conservation projects, water reuse projects, wastewater collection systems, and wastewater treatment works. The proceeds shall be allocated as follows:

a. Wastewater collection systems and wastewater treatment works.

1. Reserved for loans to local government units whose bond rating is less than 75 or who have no bond rating... \$10,000,000
2. Reserved for loans to local government units whose bond rating is 75 or more..... \$150,000,000

b. Water supply and distribution systems and water conservation projects.

1. Reserved for loans to local government units whose bond rating is less than 75 or who have no bond rating... \$10,000,000

2. Reserved for loans to local government units whose bond rating is 75 or more..... \$150,000,000

The proceeds shall be used to make loans directly to local government units qualifying for a loan from the Clean Water Revolving Loan and Grant Fund or loaned in such other manner as shall effectuate the purposes of this act. To qualify for a loan for the purpose of paying the cost of water supply systems, a local government unit must have a water supply facility plan approved by the Department of Environment and Natural Resources. A water supply facility plan submitted by a local government unit to the Department under G.S. 143-355(1) will be sufficient to meet this requirement. To qualify for a loan for the purpose of paying the cost of wastewater collection systems or wastewater treatment works, a local government unit must have a wastewater facility plan approved by the Department of Environment and Natural Resources. A wastewater facility plan must project future wastewater treatment needs, must present a long-range plan to meet those needs, and must include plans for system operations and maintenance of the facilities being built with the bond proceeds. In addition, great emphasis shall also be placed on having a capital improvement plan.

The Department of Environment and Natural Resources shall set the priorities and determine the eligibility of local government units for these loans in accordance with Section 10 of this act. The form of the loans and the details thereof including, without limitation, the maturity, interest rate, and amortization schedule shall be determined, from time to time, by the State Treasurer. In making these determinations, the State Treasurer shall consider the purpose of the loans, the ability of local government units to repay the loans, and the security for the loans. The interest rates on these loans shall reflect the self-supporting nature of the loan program and shall be sufficient to cover substantially all payments of debt service on the three hundred twenty million dollars (\$320,000,000) of Clean

1 Water Bonds and the issuance costs and
2 administrative expenses associated with the
3 issuance of these bonds and the making of these
4 loans, subject to any applicable requirements of
5 the federal tax law.

6 Repayments of the loans shall be credited to
7 the General Fund and may be used to pay, directly
8 or indirectly, debt service on the bonds and notes
9 issued. Repayments may be initially placed into
10 such fund or account as may be determined by the
11 State Treasurer for the purpose of determining
12 compliance with applicable requirements of the
13 federal tax law and shall be expended and disbursed
14 therefrom under the direction and supervision of
15 the Director of the Budget.

16 (6) If bond proceeds remain unspent, five years from
17 the date on which the bonds were issued, then the
18 * General Assembly may at any Session after that five
19 year period of time increase or decrease the
20 allocations of the proceeds of the Clean Water
21 Bonds set forth in (1), (2), (3), (4), and (5)
22 above, so long as the aggregate amount of the
23 allocations does not exceed seven hundred eighty-
24 five million dollars (\$785,000,000).

25 (b) Natural Gas Bonds. The proceeds of Natural Gas
26 Bonds and notes shall be used for the purpose of providing
27 grants, loans, or other financing to natural gas local
28 distribution companies, persons seeking natural gas distribution
29 franchises, State or local government agencies, or other entities
30 for the costs of constructing natural gas facilities, including
31 pipelines, compressors, interests in real property, and related
32 equipment for the delivery of natural gas in order to facilitate
33 the expansion of natural gas facilities to unserved areas of the
34 State in accordance with the findings of the General Assembly
35 described in Section 15 of this act.

36 Any additional moneys which may be received by means of
37 a grant or grants from the United States of America or any agency
38 or department thereof or from any other source to aid in
39 financing the cost of any natural gas grants authorized by this
40 act may be placed by the State Treasurer in the Natural Gas Bonds
41 Fund or in a separate account or fund and shall be disbursed, to
42 the extent permitted by the terms of the grant or grants, without
43 regard to any limitations imposed by this act.

1 Moneys in the Natural Gas Bonds Fund or any separate
2 natural gas fund or account established under this act may be
3 invested from time to time by the State Treasurer in the same
4 manner permitted for investment of moneys belonging to the State
5 or held in the State treasury, except with respect to grant money
6 to the extent otherwise directed by the terms of the grant.
7 Investment earnings, except investment earnings with respect to
8 grant money to the extent otherwise directed or restricted by the
9 terms of the grant, may be (i) credited to the Natural Gas Bonds
10 Fund or any separate natural gas fund or account established
11 under this act; (ii) used to pay debt service on the Natural Gas
12 Bonds authorized by this act; (iii) used to satisfy compliance
13 with applicable requirements of the federal tax law; or (iv)
14 transferred to the General Fund of the State.

15 The proceeds of Natural Gas Bonds and notes may be used
16 with any other moneys made available by the General Assembly for
17 providing grants, loans, or other financing in accordance with
18 this act, including the proceeds of any other State bond issues,
19 whether heretofore made available or which may be made available
20 at the session of the General Assembly at which this act is
21 ratified or any subsequent sessions. The proceeds of Natural Gas
22 Bonds and notes shall be expended and disbursed under the
23 direction and supervision of the Director of the Budget. The
24 funds provided by this act for construction of natural gas
25 facilities shall be disbursed for the purposes provided in this
26 act upon warrants drawn on the State Treasurer by the State
27 Controller, which warrants shall not be drawn until requisition
28 has been approved by the Director of the Budget and which
29 requisition shall be approved only after full compliance with the
30 Executive Budget Act, Article 1 of Chapter 143 of the General
31 Statutes.

32 The North Carolina Utilities Commission shall provide
33 quarterly reports to the Joint Legislative Commission on
34 Governmental Operations, the Chairs of the Senate and House of
35 Representatives Appropriations Committees, and the Fiscal
36 Research Division on the expenditure of moneys from the Natural
37 Gas Bonds Fund.

38 Section 6. Allocation of proceeds. (a) Clean Water
39 Bonds. The proceeds of Clean Water Bonds and notes, including
40 premium thereon, if any, except the proceeds of bonds the
41 issuance of which has been anticipated by bond anticipation notes
42 or the proceeds of refunding bonds or notes, shall be placed by
43 the State Treasurer in a special fund to be designated "Clean
44 Water Bonds Fund", which may include such appropriate special

1 accounts therein as may be determined by the State Treasurer and
2 shall be disbursed as provided in this act. Moneys in the Clean
3 Water Bonds Fund shall be allocated and expended as provided in
4 this act.

5 Any additional moneys which may be received by means of
6 a grant or grants from the United States of America or any agency
7 or department thereof or from any other source for deposit to the
8 Clean Water Bonds Fund may be placed in the Clean Water Bonds
9 Fund or in a separate account or fund and shall be disbursed, to
10 the extent permitted by the terms of the grant or grants, without
11 regard to any limitations imposed by this act.

12 Moneys in the Clean Water Bonds Fund or any separate
13 clean water fund or account established under this act may be
14 invested from time to time by the State Treasurer in the same
15 manner permitted for investment of moneys belonging to the State
16 or held in the State treasury, except with respect to grant money
17 to the extent otherwise directed by the terms of the grant.
18 Investment earnings, except investment earnings with respect to
19 grant moneys to the extent otherwise directed or restricted by
20 the terms of the grant, may be (i) credited to the Clean Water
21 Bonds Fund or any separate clean water fund or account
22 established under this act, (ii) used to pay debt service on the
23 bonds authorized by this act, (iii) used to satisfy compliance
24 with applicable requirements of the federal tax law, or (iv)
25 transferred to the General Fund of the State.

26 The proceeds of bonds and notes may be used with any
27 other moneys made available by the General Assembly for making
28 grants and loans authorized by this act, including the proceeds
29 of any other State bond issues, whether heretofore made available
30 or which may be made available at the session of the General
31 Assembly at which this act is ratified or any subsequent
32 sessions. The proceeds of bonds and notes shall be expended and
33 disbursed under the direction and supervision of the Director of
34 the Budget. The funds provided by this act shall be disbursed
35 for the purposes provided in this act upon warrants drawn on the
36 State Treasurer by the State Controller, which warrants shall not
37 be drawn until requisition has been approved by the Director of
38 the Budget and which requisition shall be approved only after
39 full compliance with the Executive Budget Act, Article 1 of
40 Chapter 143 of the General Statutes.

41 (b) Natural Gas Bonds. The proceeds of Natural Gas
42 Bonds and notes, including premium thereon, if any, except the
43 proceeds of bonds the issuance of which has been anticipated by
44 bond anticipation notes or the proceeds of refunding bonds or

1 notes, shall be placed by the State Treasurer in a special fund
2 to be designated "Natural Gas Bonds Fund", which may include such
3 appropriate special accounts therein as may be determined by the
4 State Treasurer, and shall be disbursed as provided in this act.
5 Moneys in the Natural Gas Bonds Fund shall be allocated and
6 expended as provided in this act. The proceeds may be used in
7 accordance with G.S. 62-159 or may be distributed in accordance
8 with the provisions of legislation enacted by the General
9 Assembly in 1998 or later providing for the allocation of the
10 bond proceeds for the purposes provided in this act.

11 (c) Costs. Allocations to the costs of a capital
12 improvement or undertaking in each case may include allocations
13 to pay the costs set forth in Section 3(6)c., d., e., f., and g.
14 of this act in connection with the issuance of bonds for that
15 capital improvement or undertaking.

16 Section 7. Election. The questions of the issuance of
17 the bonds authorized by this act shall be submitted to the
18 qualified voters of the State at an election to be held on the
19 first Tuesday after the first Monday of November 1998. Any other
20 primary, election, or referendum validly called or scheduled by
21 law at the time the election on the bond question provided for in
22 this section is held may be held as called or scheduled. Notice
23 of the election shall be given in the manner and at the times
24 required by G.S. 163-33(8). The election and the registration of
25 voters therefor shall be held under and in accordance with the
26 general laws of the State. Absentee ballots shall be authorized
27 in the election.

28 The State Board of Elections shall reimburse the
29 counties of the State for all necessary expenses incurred in
30 holding the election that are in addition to those that would
31 have otherwise been incurred, the same to be paid out of the
32 Contingency and Emergency Fund or other funds available to the
33 State Board of Elections.

34 Ballots, voting systems authorized by Article 14 of
35 Chapter 163 of the General Statutes, or both may be used in
36 accordance with rules prescribed by the State Board of Elections.
37 The bond questions to be used in the ballots or voting systems
38 shall be in substantially the following form:

39 "[] FOR [] AGAINST
40 the issuance of seven hundred eighty-five million dollars
41 (\$785,000,000) State of North Carolina Clean Water Bonds
42 constituting general obligation bonds of the State secured by a
43 pledge of the faith and credit and taxing power of the State for
44 the purpose of providing funds, with any other available funds,

1 to make loans and grants to local government units to pay all or
2 a portion of the cost of clean water projects.

3 "[] FOR [] AGAINST

4 the issuance of two hundred fifteen million dollars
5 (\$215,000,000) State of North Carolina Natural Gas Bonds
6 constituting general obligation bonds of the State secured by a
7 pledge of the faith and credit and taxing power of the State for
8 the purpose of providing funds, with any other available funds,
9 to provide grants, loans, or other financing to public or private
10 entities for construction of natural gas facilities in order to
11 facilitate the expansion of natural gas facilities to unserved
12 portions of the State."

13 If a majority of those voting on a bond question in the
14 election vote in favor of the issuance of the bonds described in
15 the question, those bonds may be issued as provided in this act.
16 If a majority of those voting on a bond question in the election
17 vote against the issuance of the bonds described in the question,
18 those bonds shall not be issued.

19 The results of the election shall be canvassed and
20 declared as provided by law for elections for State officers; the
21 results of the election shall be certified by the State Board of
22 Elections to the Secretary of State, in the manner and at the
23 time provided by the general election laws of the State.

24 Section 8. Issuance of bonds and notes. (a) Terms and
25 Conditions. Bonds or notes may bear such date or dates, may be
26 serial or term bonds or notes, or any combination thereof, may
27 mature in such amounts and at such time or times, not exceeding
28 40 years from their date or dates, may be payable at such place
29 or places, either within or without the United States of America,
30 in such coin or currency of the United States of America as at
31 the time of payment is legal tender for payment of public and
32 private debts, may bear interest at such rate or rates, which may
33 vary from time to time, and may be made redeemable before
34 maturity, at the option of the State or otherwise as may be
35 provided by the State, at such price or prices, including a price
36 less than the face amount of the bonds or notes, and under such
37 terms and conditions, all as may be determined by the State
38 Treasurer, by and with the consent of the Council of State.

39 (b) Signatures; Form and Denomination; Registration.
40 Bonds or notes may be issued as certificated or uncertificated
41 obligations. If issued as certificated obligations, bonds or
42 notes shall be signed on behalf of the State by the Governor or
43 shall bear his facsimile signature, shall be signed by the State
44 Treasurer or shall bear his facsimile signature, and shall bear

1 the Great Seal of the State or a facsimile thereof shall be
2 impressed or imprinted thereon. If bonds or notes bear the
3 facsimile signatures of the Governor and the State Treasurer, the
4 bonds or notes shall also bear a manual signature which may be
5 that of a bond registrar, trustee, paying agent, or designated
6 assistant of the State Treasurer. Should any officer whose
7 signature or facsimile signature appears on bonds or notes cease
8 to be such officer before the delivery of the bonds or notes, the
9 signature or facsimile signature shall nevertheless have the same
10 validity for all purposes as if the officer had remained in
11 office until delivery, and bonds or notes may bear the facsimile
12 signatures of persons who at the actual time of the execution of
13 the bonds or notes shall be the proper officers to sign any bond
14 or note although at the date of the bond or note such persons may
15 not have been such officers. The form and denomination of bonds
16 or notes, including the provisions with respect to registration
17 of the bonds or notes and any system for their registration,
18 shall be as the State Treasurer may determine in conformity with
19 this act; provided, however, that nothing in this act shall
20 prohibit the State Treasurer from proceeding, with respect to the
21 issuance and form of the bonds or notes, under the provisions of
22 Chapter 159E of the General Statutes, the Registered Public
23 Obligations Act, as well as under this act.

24 (c) Manner of Sale; Expenses. Subject to determination
25 by the Council of State as to the manner in which bonds or notes
26 shall be offered for sale, whether at public or private sale,
27 whether within or without the United States of America, and
28 whether by publishing notices in certain newspapers and financial
29 journals, mailing notices, inviting bids by correspondence,
30 negotiating contracts of purchase or otherwise, the State
31 Treasurer is authorized to sell bonds or notes at one time or
32 from time to time at such rate or rates of interest, which may
33 vary from time to time, and at such price or prices, including a
34 price less than the face amount of the bonds or the notes, as the
35 State Treasurer may determine. All expenses incurred in
36 preparation, sale, and issuance of bonds or notes shall be paid
37 by the State Treasurer from the proceeds of bonds or notes or
38 other available moneys.

39 (d) Notes; Repayment.

40 (1) By and with the consent of the Council of State,
41 the State Treasurer is hereby authorized to borrow
42 money and to execute and issue notes of the State
43 for the same, but only in the following
44 circumstances and under the following conditions:

- 1 a. For anticipating the sale of bonds to the
2 issuance of which the Council of State shall
3 have given consent, if the State Treasurer
4 shall deem it advisable to postpone the
5 issuance of the bonds;
6 b. For the payment of interest on or any
7 installment of principal of any bonds then
8 outstanding, if there shall not be sufficient
9 funds in the State treasury with which to pay
10 the interest or installment of principal as
11 they respectively become due;
12 c. For the renewal of any loan evidenced by notes
13 herein authorized;
14 d. For the purposes authorized in this act; and
15 e. For refunding bonds or notes as herein
16 authorized.
- 17 (2) Funds derived from the sale of bonds or notes may
18 be used in the payment of any bond anticipation
19 notes issued under this act. Funds provided by the
20 General Assembly for the payment of interest on or
21 principal of bonds shall be used in paying the
22 interest on or principal of any notes and any
23 renewals thereof, the proceeds of which shall have
24 been used in paying interest on or principal of the
25 bonds.
- 26 (e) Refunding Bonds and Notes. By and with the consent
27 of the Council of State, the State Treasurer is authorized to
28 issue and sell refunding bonds and notes pursuant to the
29 provisions of the State Refunding Bond Act for the purpose of
30 refunding bonds or notes issued pursuant to this act. The
31 refunding bonds and notes may be combined with any other issues
32 of State bonds and notes similarly secured.
- 33 (f) Tax Exemption. Bonds and notes shall be exempt
34 from all State, county, and municipal taxation or assessment,
35 direct or indirect, general or special, whether imposed for the
36 purpose of general revenue or otherwise, excluding inheritance
37 and gift taxes, income taxes on the gain from the transfer of
38 bonds and notes, and franchise taxes. The interest on bonds and
39 notes shall not be subject to taxation as to income.
- 40 (g) Investment Eligibility. Bonds and notes are hereby
41 made securities in which all public officers, agencies, and
42 public bodies of the State and its political subdivisions, all
43 insurance companies, trust companies, investment companies,
44 banks, savings banks, savings and loan associations, credit

1 unions, pension or retirement funds, other financial institutions
2 engaged in business in the State, executors, administrators,
3 trustees, and other fiduciaries may properly and legally invest
4 funds, including capital in their control or belonging to them.
5 Bonds and notes are hereby made securities which may properly and
6 legally be deposited with and received by any officer or agency
7 of the State or political subdivision of the State for any
8 purpose for which the deposit of bonds, notes, or obligations of
9 the State or any political subdivision is now or may hereafter be
10 authorized by law.

11 (h) Faith and Credit. The faith and credit and taxing
12 power of the State are hereby pledged for the payment of the
13 principal of and the interest on bonds and notes. In addition to
14 the State's right to amend any provision of this act to the
15 extent it does not impair any contractual right of a bond owner,
16 the State expressly reserves the right to amend any provision of
17 this act with respect to the making and repayment of loans, the
18 disposition of any repayments of loans, and any intercept
19 provisions relating to the failure of a local government unit to
20 repay a loan, the bonds not being secured in any respect by
21 loans, any repayments thereof, or any intercept provisions with
22 respect thereto.

23 Section 9. Variable interest rates. In fixing the
24 details of bonds and notes, the State Treasurer may provide that
25 any of the bonds or notes may:

- 26 (1) Be made payable from time to time on demand or
27 tender for purchase by the owner thereof provided a
28 credit facility supports the bonds or notes, unless
29 the State Treasurer specifically determines that a
30 credit facility is not required upon a finding and
31 determination by the State Treasurer that the
32 absence of a credit facility will not materially or
33 adversely affect the financial position of the
34 State and the marketing of the bonds or notes at a
35 reasonable interest cost to the State;
36 (2) Be additionally supported by a credit facility;
37 (3) Be made subject to redemption or a mandatory tender
38 for purchase prior to maturity;
39 (4) Bear interest at a rate or rates that may vary for
40 such period or periods of time, all as may be
41 provided in the proceedings providing for the
42 issuance of the bonds or notes, including, without
43 limitation, such variations as may be permitted
44 pursuant to a par formula; and

1 (5) Be made the subject of a remarketing agreement
2 whereby an attempt is made to remarket bonds or
3 notes to new purchasers prior to their presentment
4 for payment to the provider of the credit facility
5 or to the State.

6 If the aggregate principal amount repayable by the State
7 under a credit facility is in excess of the aggregate principal
8 amount of bonds or notes secured by the credit facility, whether
9 as a result of the inclusion in the credit facility of a
10 provision for the payment of interest for a limited period of
11 time or the payment of a redemption premium or for any other
12 reason, then the amount of authorized but unissued bonds or notes
13 during the term of such credit facility shall not be less than
14 the amount of such excess, unless the payment of such excess is
15 otherwise provided for by agreement of the State executed by the
16 State Treasurer.

17 Section 10. Special provisions governing clean water
18 loans. (a) Scope. The provisions of this section shall apply
19 to loans being made from the proceeds of bonds authorized by this
20 act for clean water projects, other than from funds deposited in
21 the Clean Water Revolving Loan and Grant Fund.

22 (b) Clean Water Bonds Loan Account. There is
23 established in the Department of State Treasurer a special
24 account to be known as the Clean Water Bonds Loan Account, which
25 may include any special or segregated accounts the State
26 Treasurer considers appropriate. There shall be deposited in the
27 Clean Water Bonds Loan Account proceeds of the Clean Water Bonds
28 and notes to be used to make loans, other than loans to be made
29 through the Clean Water Revolving Loan and Grant Fund, to local
30 government units for clean water projects as provided in this
31 act.

32 Except as otherwise permitted by Section 5 of this act
33 with respect to the use of investment earnings, all moneys
34 accruing to the credit of the Clean Water Bonds Loan Account
35 other than funds set aside for administrative expenses, including
36 expenses related to determining compliance with applicable
37 requirements of the federal tax law and costs of issuance, shall
38 be used to make loans for the purposes provided in this act. The
39 State Treasurer shall be responsible for making and administering
40 all loans pursuant to the provisions of this section.

41 (c) Application for Loans; Hearings.

42 (1) Eligibility/Initial Hearing.

43 a. Prior to filing an application for a loan, a
44 local government unit shall hold a public

- 1 hearing. A notice of the public hearing shall
2 be published once at least 10 days before the
3 date fixed for the hearing.
- 4 b. All applications for loans shall be filed with
5 the Department of Environment and Natural
6 Resources. The form of the application shall
7 be prescribed by the Department and shall
8 require any information necessary to determine
9 the eligibility for a loan under the
10 provisions of this section. All applications
11 approved by the Department of Environment and
12 Natural Resources shall be filed with the
13 Local Government Commission. Each applicant
14 shall furnish to the Department of Environment
15 and Natural Resources and the Local Government
16 Commission information in addition or
17 supplemental to the information contained in
18 its application, upon request.
- 19 c. A local government unit shall not be eligible
20 for a loan unless it demonstrates to the
21 satisfaction of the Department of Environment
22 and Natural Resources and the Local Government
23 Commission that:
- 24 1. The applicant is a local government unit;
 - 25 2. The applicant has the financial capacity
26 to pay the principal of and interest on
27 its proposed loan as evidenced by the
28 approval of the Local Government
29 Commission;
 - 30 3. The applicant has substantially complied
31 or will substantially comply with all
32 applicable laws, rules, regulations, and
33 ordinances, whether federal, State, or
34 local; and
 - 35 4. The applicant has agreed by official
36 resolution to adopt and place into effect
37 a schedule of fees and charges or the
38 application of other sources of revenue
39 which will provide adequate funds for
40 proper operation, maintenance, and
41 administration of the project and
42 repayment of all principal and interest
43 on the loan.

- 1 (2) Assessment. The Department of Environment and
2 Natural Resources may require any applicant to file
3 with its application an assessment of the impact
4 the project for which the funds are sought will
5 have upon meeting the facility needs of the area
6 within which the project is to be located.
- 7 (3) Hearing by the Department of Environment and
8 Natural Resources or the Local Government
9 Commission. A public hearing may be held by the
10 Department of Environment and Natural Resources or
11 the Local Government Commission at any time on any
12 application. Public hearings may also be held by
13 the Department of Environment and Natural Resources
14 in its discretion upon written request from any
15 citizen or taxpayer who is a resident of the county
16 or counties in which the project is to be located
17 or a resident of the local government unit that
18 proposes to borrow moneys under this act, if it
19 appears that the public interest will be served by
20 the hearing. The written request shall set forth
21 each objection to the proposed project or other
22 reason for requesting a hearing on the application
23 and shall contain the name and address of the
24 persons submitting it. In deciding whether to
25 grant a request for a hearing on an application,
26 the Department of Environment and Natural Resources
27 may consider the application, the written
28 objections to the proposed project, and the
29 facility needs and shall determine if the public
30 interest will be served by a hearing. The
31 determination by the Department of Environment and
32 Natural Resources shall be conclusive, and all
33 written requests for a hearing shall be retained as
34 a permanent part of the records pertaining to the
35 application.
- 36 (4) Petition for Vote. A petition, demanding that the
37 question of whether to enter into a loan agreement
38 with the State under this act be submitted to
39 voters, may be filed with the clerk of the local
40 government unit applying for the loan within 15
41 days after the public hearing required by this
42 section. The petition's sufficiency shall be
43 determined and a referendum, if any, shall be
44 conducted according to the standards, procedures,

- 1 and limitations set out in G.S. 159-60 through G.S.
2 159-62.
- 3 (d) Priorities.
- 4 (1) Determination. Determination of priorities to be
5 assigned each eligible project shall be made
6 semiannually by the Department of Environment and
7 Natural Resources during each fiscal year. Every
8 eligible project shall be considered by the
9 Department of Environment and Natural Resources
10 with every other project eligible during this same
11 priority period.
- 12 (2) Priority Factors. All applications for loans under
13 this act shall be assigned a priority by the
14 Department of Environment and Natural Resources.
15 The Department of Environment and Natural Resources
16 shall establish other priority factors criteria by
17 rule.
- 18 (3) Assignment of Priority. A written statement
19 relative to each priority assigned shall be
20 prepared by the Department of Environment and
21 Natural Resources and shall be attached to the
22 application. The priority assigned shall be
23 conclusive.
- 24 (4) Failure to Qualify. If an application does not
25 qualify for a loan as of the prior period in which
26 the application was eligible for consideration by
27 reason of the priority assigned, the application
28 shall be considered during the next succeeding
29 priority period upon request of the applicant. If
30 the application again fails to qualify for a loan
31 during the second priority period by reason of the
32 priority assigned, the application shall receive no
33 further consideration. An applicant may file a new
34 application at any time and may amend any pending
35 application to include additional data or
36 information.
- 37 (5) Withdrawal of Commitment. Failure of an applicant
38 within one year after the date of acceptance of the
39 loan to arrange for necessary financing of the
40 proposed project or award of the contract of the
41 construction of the proposed project shall
42 constitute sufficient cause for withdrawal of the
43 commitment. Prior to withdrawal of a commitment,
44 the Department of Environment and Natural Resources

1 shall give due consideration to any extenuating
2 circumstances presented by the applicant as reasons
3 for failure to arrange necessary financing or to
4 award a contract, and the commitment may be
5 extended for an additional period of time if, in
6 the judgment of the Department of Environment and
7 Natural Resources, the extension is justified.

8 (e) Disbursement. To be eligible to receive the loans
9 provided for in this section, a local government unit must
10 arrange to borrow the amounts necessary pursuant to rules adopted
11 by the Local Government Commission. No funds shall be disbursed
12 until the Department of Environment and Natural Resources gives a
13 certificate of eligibility to the effect that the applicant meets
14 all eligibility criteria and that all procedural requirements of
15 this act have been met. The maximum principal amount of a loan
16 shall be one hundred percent (100%) of the cost of any eligible
17 project.

18 (f) Intercept. The governing body of a local
19 government unit shall by resolution authorize to be included in
20 its loan agreement a provision authorizing the State Treasurer,
21 upon failure of the local government unit to make a scheduled
22 repayment of the loan, to withhold from the local government unit
23 any State funds that would otherwise be distributed to the local
24 government unit in an amount sufficient to pay all sums then due
25 and payable to the State as a repayment of the loan. In such
26 event, notwithstanding any other provision of law, the State
27 Treasurer is authorized to withhold and apply such funds to the
28 repayment of the loan, except that such funds shall not be
29 withheld if (i) before the execution of the loan agreement, such
30 funds have been legally pledged to secure special obligation
31 bonds or other obligations of the local government unit, or (ii)
32 after the execution of the loan agreement, such funds are legally
33 pledged to secure special obligation bonds or other obligations
34 of the local government unit as authorized in this subsection.
35 After the execution of a loan agreement, all or any portion of
36 the State funds specified in the loan agreement to be so withheld
37 may be pledged to secure special obligation bonds or other
38 obligations of the local government unit only with the prior
39 written consent of the State Treasurer.

40 The State Treasurer shall notify the Secretary of
41 Revenue and the State Controller of the amount to be withheld
42 from the local government unit, and the Secretary of Revenue and
43 the State Controller shall transfer to the State Treasurer the

1 amount so requested to be applied by the State Treasurer to the
2 repayment of the loan.

3 (g) Inspection. Inspection of a project for which a
4 loan has been made under this act may be performed by qualified
5 personnel of the Department of Environment and Natural Resources
6 or may be performed by qualified engineers registered in this
7 State approved by the Department of Environment and Natural
8 Resources. No person shall be approved to perform inspections
9 who is an officer employed by the local government unit to which
10 the loan was made or who is an owner, officer, employer, or agent
11 of a contractor or subcontractor engaged in the construction of
12 the project for which the loan was made. For the purpose of
13 payment of inspection fees, inspection services shall be included
14 in the term "cost" as used in this act.

15 (h) Rules. The State Treasurer, the Local Government
16 Commission, and the Department of Environment and Natural
17 Resources may adopt, modify, and repeal rules necessary for the
18 administration of their respective duties under this act.
19 Uniform rules may be jointly adopted where feasible and
20 desirable, and no rule, jointly adopted, may be modified or
21 revoked except upon concurrence of all agencies involved.

22 (i) Federal Grants and Loans. In order to carry out
23 the purposes of this act to secure the greatest possible benefits
24 to the citizens of this State of the funds appropriated, the
25 State Treasurer, the Local Government Commission, and the
26 Department of Environment and Natural Resources shall adopt rules
27 and criteria, not inconsistent with provisions of this act, as
28 are necessary and appropriate to conform to regulations for
29 federal grants and loans for any of the purposes set forth in
30 this act.

31 (j) Report by Department of Environment and Natural
32 Resources. The Department of Environment and Natural Resources
33 shall prepare and file each year on or before July 31 with the
34 Joint Legislative Commission on Governmental Operations and the
35 Fiscal Research Division a report for the preceding fiscal year
36 concerning the allocation and making of loans authorized by this
37 act. The report shall set forth for the preceding fiscal year:

38 (1) Itemized and total allocations of loans authorized
39 and unallocated funds for the loan program as of
40 the end of the preceding fiscal year;

41 (2) Identification of each loan agreement entered into
42 by the State during the preceding fiscal year and
43 the total amount of loans authorized by such loan
44 agreements;

- 1 (3) The amount disbursed to each local government unit
2 pursuant to such loan agreements during the
3 preceding fiscal year and the total amount of such
4 disbursements;
- 5 (4) The loan repayments made by each local government
6 unit pursuant to such loan agreements and the total
7 amount of such loan repayments during the preceding
8 fiscal year; and
- 9 (5) A summary for the five preceding years of the
10 information required by subdivisions (1) through
11 (4) of this subsection.
- 12 The report shall be signed by the Secretary of Environment and
13 Natural Resources.
- 14 (k) Local Government Commission.
- 15 (1) Local government units may execute debt instruments
16 payable to the State in order to obtain loans
17 provided for in this act. Local government units
18 shall pledge or agree to apply as security for such
19 obligations:
- 20 a. Any available source of revenues of the local
21 government unit, including revenues from
22 benefitted facilities or systems, provided
23 that (i) the local government unit has not
24 otherwise pledged the revenues as security
25 for, or contractually agreed to apply the
26 revenues to, the payment of any other
27 obligations of the local government unit, (ii)
28 the use of the revenues is not otherwise
29 restricted by law, or (iii) the revenues are
30 not derived from the exercise of the local
31 government unit's taxing power; or
- 32 b. Their faith and credit; or
- 33 c. Any combination of a. or b. above.
- 34 The faith and credit of a local government
35 unit shall not be pledged or be deemed to have been
36 pledged unless the requirements of Article 4 of
37 Chapter 159 of the General Statutes have been met.
38 The State Treasurer, with the assistance of the
39 Local Government Commission, shall develop and
40 adopt appropriate debt instruments for use under
41 this act.
- 42 (2) Nothing contained in this act shall prohibit any
43 local government unit from applying any funds of
44 the local government unit not otherwise restricted

- 1 as to use by law to the payment of any debt
2 instrument payable to the State incurred pursuant
3 to the provisions of this act.
- 4 (3) The Local Government Commission shall review and
5 approve proposed loans to local government units
6 under this act under the provisions of Articles 4
7 and 5 of Chapter 159 of the General Statutes. The
8 Local Government Commission in considering the
9 ability of a local government unit to repay a loan
10 may regard as a source of revenue for repayment of
11 a loan revenue sources that may not be available
12 other than on an annual discretionary basis and
13 that may not be subject to a pledge or agreement to
14 apply. Loans under this act shall be outstanding
15 debts for the purposes of Article 10 of Chapter 159
16 of the General Statutes.
- 17 (4) The State Treasurer shall annually certify to the
18 General Assembly the financial condition of the
19 loan program and identify existing delinquencies.
- 20 Section 11. Reports. (a) The Rural Economic
21 Development Center shall prepare and file each year on or before
22 July 31 with the Joint Legislative Commission on Governmental
23 Operations and the Fiscal Research Division a report for the
24 preceding fiscal year concerning the allocation and making of
25 grants authorized by this act. The report shall be signed by the
26 Chair of the Board of Directors of the Rural Economic Development
27 Center. The report shall set forth for the preceding fiscal
28 year:
- 29 (1) Itemized and total allocations of grants authorized
30 and unallocated funds for the grant program as of
31 the end of the preceding fiscal year;
- 32 (2) Identification of each grant agreement entered into
33 by the Rural Economic Development Center during the
34 preceding fiscal year and the total amount of
35 grants authorized by the grant agreements;
- 36 (3) The amount disbursed to each local government unit
37 pursuant to the grant agreements during the
38 preceding fiscal year and the total amount of the
39 disbursements; and
- 40 (4) A summary for the five preceding years of the
41 information required by subdivisions (1) through
42 (3) of this subsection.
- 43 (b) The Department of Environment and Natural Resources
44 shall prepare and file each year on or before July 31 with the

1 Joint Legislative Commission on Governmental Operations and the
2 Fiscal Research Division a report for the preceding fiscal year
3 concerning the allocation and making of grants authorized by this
4 act. The report shall be signed by the Secretary of Environment
5 and Natural Resources. The report shall set forth for the
6 preceding fiscal year:

- 7 (1) Itemized and total allocations of grants authorized
8 and unallocated funds for the grant program as of
9 the end of the preceding fiscal year;
- 10 (2) Identification of each grant agreement entered into
11 by the Department of Environment and Natural
12 Resources during the preceding fiscal year and the
13 total amount of grants authorized by the grant
14 agreements;
- 15 (3) The amount disbursed to each local government unit
16 pursuant to the grant agreements during the
17 preceding fiscal year and the total amount of the
18 disbursements; and
- 19 (4) A summary for the five preceding years of the
20 information required by subdivisions (1) through
21 (3) of this subsection.

22 (c) The Department of Commerce shall prepare and file
23 each year on or before July 31 with the Joint Legislative
24 Commission on Governmental Operations and the Fiscal Research
25 Division a report for the preceding fiscal year concerning the
26 allocation and making of grants authorized by this act. The
27 report shall be signed by the Secretary of Commerce. The report
28 shall set forth for the preceding fiscal year:

- 29 (1) Itemized and total allocations of grants authorized
30 and unallocated funds for the grant program as of
31 the end of the preceding fiscal year;
- 32 (2) Identification of each grant agreement entered into
33 by the Department of Commerce during the preceding
34 fiscal year and the total amount of grants
35 authorized by the grant agreements;
- 36 (3) The amount disbursed to each local government unit
37 pursuant to the grant agreements during the
38 preceding fiscal year and the total amount of the
39 disbursements; and
- 40 (4) A summary for the five preceding years of the
41 information required by subdivisions (1) through
42 (3) of this subsection.

43 Section 12. Minority business participation. The goals
44 set by G.S. 143-128 for participation in projects by minority

1 businesses apply to projects funded by the proceeds of bonds or
2 notes issued under this act. The Department of Environment and
3 Natural Resources, the Department of Commerce, and the Rural
4 Economic Development Center shall monitor compliance with this
5 requirement and shall report to the General Assembly by January 1
6 of each year on the participation by minority businesses in these
7 projects.

8 Section 13. Interpretation of act. (a) Additional
9 Method. The foregoing sections of this act shall be deemed to
10 provide an additional and alternative method for the doing of the
11 things authorized thereby and shall be regarded as supplemental
12 and additional to powers conferred by other laws, and shall not
13 be regarded as in derogation of any powers now existing.

14 (b) Statutory References. References in this act to
15 specific sections or Chapters of the General Statutes or to
16 specific acts are intended to be references to these sections,
17 Chapters, or acts as they may be amended from time to time by the
18 General Assembly.

19 (c) Broad Construction. This act, being necessary for
20 the health and welfare of the people of the State, shall be
21 broadly construed to effect the purposes thereof.

22 (d) Inconsistent Provisions. Insofar as the provisions
23 of this act are inconsistent with the provisions of any general
24 laws, or parts thereof, the provisions of this act shall be
25 controlling.

26 (e) Severability. If any provision of this act or the
27 application thereof to any person or circumstance is held
28 invalid, such invalidity shall not affect other provisions or
29 applications of the act which can be given effect without the
30 invalid provision or application, and to this end the provisions
31 of this act are declared to be severable.

32 Section 14. G.S. 159G-6 reads as rewritten:

33 "§ 159G-6. Distribution of funds.

34 (a) Revolving loans and grants.

35 (1) All funds appropriated or accruing to the Clean
36 Water Revolving Loan and Grant Fund, other than
37 funds set aside for administrative expenses, shall
38 be used for revolving loans and grants to local
39 government units for construction costs of
40 wastewater treatment works, wastewater collection
41 systems and water supply systems and other
42 assistance as provided in this Chapter.

43 (2) The maximum principal amount of a revolving loan or
44 a grant may be one hundred percent (100%) of the

- 1 nonfederal share of the construction costs of any
2 eligible project. The maximum principal amount of
3 revolving loans made to any one local government
4 unit during any fiscal year shall be ~~three~~ five
5 million dollars ~~(\$3,000,000)~~ (\$5,000,000). The
6 maximum principal amount of grants made to any one
7 local government unit during any fiscal year shall
8 be ~~one~~ two million dollars ~~(\$1,000,000)~~
9 (\$2,000,000).
- 10 (3) The State Treasurer shall be responsible for
11 investing and distributing all funds appropriated
12 or accruing to the Clean Water Revolving Loan and
13 Grant Fund for revolving loans and grants under
14 this Chapter. In fulfilling his responsibilities
15 under this section, the State Treasurer shall make
16 a written request to the Department of Environment
17 and Natural Resources to arrange for the
18 appropriated funds to be (i) transferred from the
19 appropriate accounts to a local government unit to
20 provide funds for one or more revolving loans or
21 grants or (ii) invested as authorized by this
22 Chapter with the interest on and the principal of
23 such investments to be transferred to the local
24 government unit to provide funds for one or more
25 revolving loans or grants.
- 26 (b) Wastewater Accounts. -- The sums allocated in G.S. 159G-4
27 and accruing to the various Wastewater Accounts in each fiscal
28 year shall be used to make revolving loans and grants to local
29 government units as provided below. The Department of Environment
30 and Natural Resources shall disburse no funds from the Wastewater
31 Accounts except upon receipt of written approval of the
32 disbursement from the Environmental Management Commission.
- 33 (1) General Wastewater Revolving Loan and Grant
34 Account. -- The funds in the General Wastewater
35 Revolving Loan and Grant Account shall be used
36 exclusively for the purpose of providing for
37 revolving construction loans or grants in
38 connection with approved wastewater treatment work
39 or wastewater collection system projects.
- 40 (2) High-Unit Cost Wastewater Account. -- The funds in
41 the High-Unit Cost Wastewater Account shall be
42 available for grants to applicants for high-unit
43 cost wastewater projects. Eligibility of an
44 applicant for such a grant shall be determined by

1 comparing estimated average household user fees for
2 water and sewer service, for debt service and
3 operation and maintenance costs, to one and one-
4 half percent (1.5%) of the median household income
5 in the ~~county~~ local government unit in which the
6 project is located. The projects which would
7 require estimated average household water and sewer
8 user fees greater than one and one-half percent
9 (1.5%) of the median household income are defined
10 as high-unit cost wastewater projects and will be
11 eligible for a grant equal to the excess cost,
12 subject to the limitations in ~~subsection~~
13 subdivision (a)(2) of this section.

14 (3) Emergency Wastewater Revolving Loan Account. -- The
15 funds in the Emergency Wastewater Revolving Loan
16 Account shall be available for revolving emergency
17 loans to applicants in the event the Environmental
18 Management Commission certifies that a serious
19 public health hazard, related to the inadequacy of
20 existing wastewater facilities, is present or
21 imminent in a community.

22 (c) Water Supply Accounts. -- The sums allocated in G.S. 159G-
23 4 and accruing to the various Water Supply Accounts in each
24 fiscal year shall be used to provide revolving loans and grants
25 to local government units as provided below. The Department of
26 Environment and Natural Resources shall disburse no funds from
27 the Water Supply Accounts except upon receipt of written approval
28 of the disbursement from the Division of Environmental Health.

29 (1) General Water Supply Revolving Loan and Grant
30 Account. -- The funds in the General Water Supply
31 Revolving Loan and Grant Account shall be used
32 exclusively for the purpose of providing for
33 revolving construction loans and grants in
34 connection with water supply systems generally and
35 not upon a county allotment basis.

36 (2) High-Unit Cost Water Supply Account. -- The funds
37 in the High-Unit Cost Water Supply Account shall be
38 available for grants to applicants for high-unit
39 cost water supply systems, on the same basis as
40 provided in G.S. 159G-6(b)(2) for high-unit cost
41 wastewater projects.

42 (3) Emergency Water Supply Revolving Loan Account. --
43 The funds in the Emergency Water Supply Revolving
44 Loan Account shall be available for revolving

1 emergency loans to applicants in the event the
2 Division of Environmental Health certifies that a
3 serious public health hazard, related to the water
4 supply system, is present or imminent in a
5 community.

6 (d) Repealed by Session Laws 1991, c. 186, s. 4.

7 (e) Notwithstanding any other provision of this Chapter, funds
8 in the Water Pollution Control Revolving Fund shall not be
9 available as grants except to the extent permitted by Title VI of
10 the Federal Water Quality Act of 1987 and the regulations
11 thereunder."

12 Section 15. The General Assembly finds that:

13 (1) The General Assembly has previously found that it
14 is the policy of this State to facilitate the
15 extension of natural gas facilities to unserved
16 areas of the State; and

17 (2) The extension of natural gas facilities to unserved
18 areas of the State is necessary for the health of
19 the people and of the environment; and

20 (3) The extension of natural gas facilities to unserved
21 areas of the State will aid and encourage the
22 location of manufacturing enterprises and
23 industrial facilities in those areas of the State,
24 will encourage new construction, homes, and other
25 businesses in those areas of the State, will
26 increase the population, taxable property,
27 agricultural industries and business prospects in
28 the State; and

29 (4) The 1989 General Assembly in Chapter 338 of the
30 1989 Session Laws directed the North Carolina
31 Utilities Commission to require the franchised
32 natural gas local distribution companies to file
33 reports with the Commission detailing their plans
34 for providing natural gas service in areas of the
35 State where natural gas service is not available,
36 and directed the Commission and the Public Staff to
37 provide independent analyses and summaries of those
38 reports together with status reports of natural gas
39 service in the State to the Joint Legislative
40 Utility Review Committee; and

41 (5) The reports of the utilities, the Commission, and
42 the Public Staff indicate that the construction of
43 facilities and the extension of natural gas service

- 1 in some areas of the State may not be economically
2 feasible with traditional funding methods; and
3 (6) The 1991 General Assembly enacted G.S. 62-158 and
4 G.S. 62-2(9) authorizing special funding methods,
5 including the use of supplier refunds and customer
6 surcharges, to facilitate the expansion of natural
7 gas service; and
8 (7) While the 1991 legislation has been successful in
9 providing some natural gas service to previously
10 unserved areas of the State, that legislation has
11 not been sufficient to facilitate the extension of
12 service that is necessary and in the public
13 interest and there are still counties with no gas
14 service or virtually no gas service; and
15 (8) It is therefore necessary to authorize additional
16 funding methods, including appropriations from the
17 General Assembly and the proceeds of general
18 obligation bonds, to further facilitate the
19 expansion of natural gas service.

20 Section 16. Chapter 62 of the General Statutes is
21 amended by adding a new section to read:

22 "§ 62-159. Additional funding for natural gas expansion.

23 (a) In order to facilitate the construction of facilities in
24 and the extension of natural gas service to unserved areas, the
25 Commission may provide funding through appropriations from the
26 General Assembly or the proceeds of general obligation bonds as
27 provided in this section to either (i) an existing natural gas
28 local distribution company or (ii) a person or a gas district
29 awarded a new franchise, for the construction of natural gas
30 facilities that it otherwise would not be economically feasible
31 for the company or person to construct.

32 (b) The use of funds provided under this section shall be
33 pursuant to an order of the Commission after a public hearing.
34 The Commission shall ensure that all projects for which funds are
35 provided under this section are consistent with the intent of
36 this section and G.S. 62-2(9). In determining whether to approve
37 the use of funds for a particular project pursuant to this
38 section, the Commission shall consider the scope of a proposed
39 project, including the number of unserved counties and the number
40 of anticipated customers that would be served, the total cost of
41 the project, the extent to which the project is considered
42 feasible, and other relevant factors affecting the public
43 interest. In determining economic feasibility, the Commission
44 shall employ the net present value method of analysis on a

1 project specific basis. Only those projects with a negative net
2 present value shall be determined to be economically infeasible
3 for the company or person to construct. In no event shall the
4 Commission provide funding under this section of an amount
5 greater than the negative net present value of any proposed
6 project as determined by the Commission. If at any time a
7 project is determined by the Commission to have become
8 economically feasible, the Commission may require the recipient
9 of funding to remit to the Commission appropriate funds related
10 to the project, and the Commission may order those funds to be
11 returned with interest in a reasonable amount to be determined by
12 the Commission. Funds returned, together with interest, shall be
13 deposited in a special account with the State Treasurer to be
14 used for other expansion projects pursuant to the provisions of
15 this section. Utility plant acquired with expansion funds shall
16 be included in the local distribution company's rate base at zero
17 cost except to the extent such funds have been remitted by the
18 company pursuant to order of the Commission.

19 (c) To the extent that one or more of the counties included in
20 a proposed project to be funded pursuant to this section are
21 counties affected by the loss of exclusive franchise rights
22 provided for in G.S. 62-36A(b), the Commission may conclude that
23 the public interest requires that the person obtaining the
24 franchise or funding pursuant to this section be given an
25 exclusive franchise and that the existing franchise be canceled.
26 Any new exclusive franchise granted under this subsection shall
27 be subject to the provisions of G.S. 62-36A(b).

28 (d) The Commission, after hearing, shall adopt rules to
29 implement this section as soon as practicable. The Commission
30 and Public Staff shall report to the Joint Legislative Utility
31 Review Committee on the use of funding provided under this
32 section in conjunction with the reports required under G.S. 62-
33 36A."

34 Section 17. G.S. 62-2 reads as rewritten:
35 "§ 62-2. Declaration of policy.

36 (a) Upon investigation, it has been determined that the rates,
37 services and operations of public utilities as defined herein,
38 are affected with the public interest and that the availability
39 of an adequate and reliable supply of electric power and natural
40 gas to the people, economy and government of North Carolina is a
41 matter of public policy. It is hereby declared to be the policy
42 of the State of North Carolina:

43 (1) To provide fair regulation of public utilities in
44 the interest of the public;

- 1 (2) To promote the inherent advantage of regulated
2 public utilities;
- 3 (3) To promote adequate, reliable and economical
4 utility service to all of the citizens and
5 residents of the State;
- 6 (3a) To assure that resources necessary to meet future
7 growth through the provision of adequate, reliable
8 utility service include use of the entire spectrum
9 of demand-side options, including but not limited
10 to conservation, load management and efficiency
11 programs, as additional sources of energy supply
12 and/or energy demand reductions. To that end, to
13 require energy planning and fixing of rates in a
14 manner to result in the least cost mix of
15 generation and demand-reduction measures which is
16 achievable, including consideration of appropriate
17 rewards to utilities for efficiency and
18 conservation which decrease utility bills;
- 19 (4) To provide just and reasonable rates and charges
20 for public utility services without unjust
21 discrimination, undue preferences or advantages, or
22 unfair or destructive competitive practices and
23 consistent with long-term management and
24 conservation of energy resources by avoiding
25 wasteful, uneconomic and inefficient uses of
26 energy;
- 27 (4a) To assure that facilities necessary to meet future
28 growth can be financed by the utilities operating
29 in this State on terms which are reasonable and
30 fair to both the customers and existing investors
31 of such utilities; and to that end to authorize
32 fixing of rates in such a manner as to result in
33 lower costs of new facilities and lower rates over
34 the operating lives of such new facilities by
35 making provisions in the rate-making process for
36 the investment of public utilities in plants under
37 construction;
- 38 (5) To encourage and promote harmony between public
39 utilities, their users and the environment;
- 40 (6) To foster the continued service of public utilities
41 on a well-planned and coordinated basis that is
42 consistent with the level of energy needed for the
43 protection of public health and safety and for the

1 promotion of the general welfare as expressed in
2 the State energy policy;
3 (7) To seek to adjust the rate of growth of regulated
4 energy supply facilities serving the State to the
5 policy requirements of statewide development;
6 (8) To cooperate with other states and with the federal
7 government in promoting and coordinating interstate
8 and intrastate public utility service and
9 reliability of public utility energy supply; and
10 (9) To facilitate the construction of facilities in and
11 the extension of natural gas service to unserved
12 areas in order to promote the public welfare
13 throughout the State and to that end to authorize
14 the creation of ~~an~~ expansion ~~fund~~ funds for ~~each~~
15 natural gas local distribution ~~company~~ companies to
16 be administered under the supervision of the North
17 Carolina Utilities Commission.

18 (b) To these ends, therefore, authority shall be vested in the
19 North Carolina Utilities Commission to regulate public utilities
20 generally, their rates, services and operations, and their
21 expansion in relation to long-term energy conservation and
22 management policies and statewide development requirements, and
23 in the manner and in accordance with the policies set forth in
24 this Chapter. Nothing in this Chapter shall be construed to imply
25 any extension of Utilities Commission regulatory jurisdiction
26 over any industry or enterprise that is not subject to the
27 regulatory jurisdiction of said Commission.

28 Because of technological changes in the equipment and
29 facilities now available and needed to provide telephone and
30 telecommunications services, changes in regulatory policies by
31 the federal government, and changes resulting from the court-
32 ordered divestiture of the American Telephone and Telegraph
33 Company, competitive offerings of certain types of telephone and
34 telecommunications services may be in the public interest.
35 Consequently, authority shall be vested in the North Carolina
36 Utilities Commission to allow competitive offerings of local
37 exchange, exchange access, and long distance services by public
38 utilities defined in G.S. 62-3(23)a.6. and certified in
39 accordance with the provisions of G.S. 62-110, and the Commission
40 is further authorized after notice to affected parties and
41 hearing to deregulate or to exempt from regulation under any or
42 all provisions of this Chapter: (i) a service provided by any
43 public utility as defined in G.S. 62-3(23)a.6. upon a finding
44 that such service is competitive and that such deregulation or

1 exemption from regulation is in the public interest; or (ii) a
2 public utility as defined in G.S. 62-3(23)a.6., or a portion of
3 the business of such public utility, upon a finding that the
4 service or business of such public utility is competitive and
5 that such deregulation or exemption from regulation is in the
6 public interest.

7 The policy and authority stated in this section shall be
8 applicable to common carriers of passengers by motor vehicle and
9 their regulation by the North Carolina Utilities Commission only
10 to the extent that they are consistent with the provisions of the
11 Bus Regulatory Reform Act of 1985.

12 The North Carolina Utilities Commission may develop regulatory
13 policies to govern the provision of telecommunications services
14 to the public which promote efficiency, technological innovation,
15 economic growth, and permit telecommunications utilities a
16 reasonable opportunity to compete in an emerging competitive
17 environment, giving due regard to consumers, stockholders, and
18 maintenance of reasonably affordable local exchange service and
19 long distance service."

20 Section 18. Effective date. Section 14 of this act
21 becomes effective only if the voters approve the issuance of the
22 Clean Water Bonds authorized by this act in the election required
23 by Section 7 of this act. The remaining sections of this act are
24 effective when the act becomes law, and the Utilities Commission
25 shall begin immediately the rule-making process mandated by G.S.
26 62-159(d), as enacted by Section 17 of this act.

Substantive changes made in PCS H1492-CSLX-6/22

- 1) Adds the term "capacity grant" and defines that term.
- 2) Revises the definition of "economically depressed area" in paragraph c. by tying that formula to "manufacturing" jobs. (This was done at the request of the bond attorney to provide a more certain measurement.)
- 3) Provides that the \$50 million allocated to the Rural Economic Development Center may be used for capacity grants as well as supplemental grants. Allocates that \$50 million between the two categories of grants as follows: \$40 million may be used for supplemental grants and \$10 million may be used for capacity grants. However, no more than a total of \$10 million in bond proceeds (\$8 million limit on supplemental grants and \$2 million limit on capacity grants) may be used in any fiscal year.
- 4) Clarifies that the Funds will be held by the Treasurer until the Rural Economic Development Center determines that the eligible project is ready to spend the funds. Requires the State Treasurer to review grants authorized by the Rural Economic Development Center for compliance with the bond act requirements and grant criteria. (The Rural Center continues to make the decisions to award the grants and continues to administer the grants. The Rural Center must provide the relevant documentation needed by the Treasurer to review the grants for compliance with the bond requirements. Clarifies that the Rural Center must maintain expenditure records and must furnish those records as needed by the State Treasurer at the time that a request for payment to or on behalf of the grantee is to be made. Requires the Rural Economic and to provide to the State Treasurer any additional records that are needed at the end of the fiscal year.
- 5) Includes as a factor for consideration in awarding all clean water bond grants or loans whether an applicant has a capital improvement plan. ("Capital improvement plan" is defined in the definition section of the bill.) However, having a capital improvement plan is not a threshold requirement.
- 6) Amends the formula set out in G.S. 159G-6(b)(2) to evaluate eligibility for Clean Water Revolving Loan and Grant Fund high unit cost wastewater grants and high unit cost water supply grants so that the median household income considered is that of the local government unit applying for the loan. (Under current law the formula only considers the county median household income.)
- 7) Clarifies that funds may be used either in the main Industrial Development Fund or in the Utility Account of the Industrial Development Fund, in Commerce's discretion.

8) Provides that funds may also be used for projects that increase capacity of wastewater treatment works or water supply systems.

9) In order to comply with constitutional requirements for including these funds in the same ballot question as Clean Water Funds, provides that there must always be a clean water objective to the expenditure of the bond funds.

10) Clarifies that the Funds will be held by the Treasurer until Commerce determines that the eligible project is ready to spend the funds.

11) Clarifies that the expansion of gas facilities is to facilitate the expansion of natural gas facilities to unserved portions of the State.

12) Adds three additional findings regarding the need to and benefit of expanding natural gas facilities.

13) Clarifies that the State Treasurer's responsibilities regarding investment and transfer of natural gas bond proceeds.



Att. # 1

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1492

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

H1492-ALL-001

Page 1 of 2

Date _____, 1998

Comm. Sub. [YES]
Amends Title []
H1492-CSLX-6/22

1 moves to amend the bill on page 38, line 31,
2 by adding the following to the end of that line:
3
4 "The natural gas local distribution company with the existing
5 franchise for any unserved county or counties shall have the first
6 option to utilize funds provided under this section for the purpose
7 of serving that particular county or counties.";
8
9 and on page 39, line 3,
10 by adding after the period a new sentence to read:
11 "All net present value calculations made pursuant to this section
12 shall be made using rates that are no higher than the Statewide
13 average of natural gas rates.";
14
15 and on page 39, line 8,
16 by deleting "may" and substituting "shall";
17
18 and on page 39, lines 13-15,
19 by rewriting those lines to read:
20 "deposited with the State Treasurer. Utility plant acquired with
21 expansion funds shall";
22
23 and on page 39, line 27,
24 by adding to the end of that line the following:
25
26 "The Commission shall not reassign or grant any new franchises to be
27 funded under this subsection to a natural gas local distribution
28 company that is not providing natural gas service to all of its



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 1492

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)
Page 2 of 2

H1492-ALL-001

1 existing franchised counties previously franchised to that company
2 by the Commission."

SIGNED *Ray L. L. L.*
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

Att # 2

(Please type or use ballpoint pen)

B. No. 1492

DATE 6/25/98

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

(Rep.) BAKER
Sen.)

moves to amend the bill on page 39, line 10

by deleting "may" and substituting "shall"

SIGNED [Signature]

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

Att #3

(Please type or use ballpoint pen)

B. No. 1482 Amendment ALL-001
Assembly
 S. B. No. _____ DATE _____

Amendment No. _____
 (to be filled in by
 Principal Clerk)

Rep.) Owen
 Sen.) _____

moves to amend the bill on page 1 of the amendment, line 21 replace
 by semicolon with period and line 23-28
by deleting them and on pg 2 delete
by deleting them

SIGNED W. C. Ortiz Jr.

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY AMENDMENT

Att #4

(Please type or use ballpoint pen)

HB 1492

EDITION No. _____

Amendment H1492-ALL-001

as amended
DATE _____

S. B. No. _____

Amendment No. _____

(to be filled in by
Principal Clerk)

COMMITTEE SUBSTITUTE _____

Rep.) _____

Sen.) _____

amendment,

1 moves to amend the bill on page 1, line 51 through 9

2 () WHICH CHANGES THE TITLE

3 by deleting those line and substituting,

4 " moves to amend the bill on page 39, line 3,

5 _____

6 _____

7 _____

8 _____

9 _____

10 _____

11 _____

12 _____

13 _____

14 _____

15 _____

16 _____

17 _____

18 _____

19 _____

SIGNED

W.C. Ortiz

ADOPTED _____

FAILED _____

TABLED _____

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1411*

Short Title: Up Admin. Cap for Fish. Grant Pgm.

(Public)

Sponsors: Representatives Preston, Redwine; and Mitchell.

Referred to: Appropriations.

May 21, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE AMOUNT OF FUNDS THAT MAY BE USED TO
3 ADMINISTER THE FISHERY RESOURCE GRANT PROGRAM, AS
4 RECOMMENDED BY THE JOINT LEGISLATIVE COMMISSION ON
5 SEAFOOD AND AQUACULTURE.

6 The General Assembly of North Carolina enacts:

7 Section 1. Section 5 of Chapter 633 of the 1995 Session Laws, Regular
8 Session 1996, reads as rewritten:

9 "Sec. 5. Funds appropriated to the Department of ~~Environment, Health,~~
10 Environment and Natural Resources for the Fishery Resource Grant Program under
11 Section 2 of Chapter 324 of the 1994 Session Laws shall be transferred to the Board
12 of Governors of The University of North Carolina for the Sea Grant College Program
13 to administer the Fishery Resource Grant Program. The Sea Grant College Program
14 may use up to ~~twenty-five thousand dollars (\$25,000)~~ seventy-five thousand dollars
15 (\$75,000) for administrative expenses relating to the Fishery Resource Grant
16 Program."

17 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1379

Short Title: New Hanover/Beaver Damage Funds.

(Public)

Sponsors: Representatives Hill; McComas (Cosponsors) and Redwine.

Referred to: Appropriations.

May 21, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO ADD NEW HANOVER COUNTY TO THE BEAVER DAMAGE
3 CONTROL PROGRAM AND TO APPROPRIATE FUNDS TO CONTINUE
4 THE BEAVER DAMAGE CONTROL PROGRAM.

5 The General Assembly of North Carolina enacts:

6 Section 1. Subsection (b) of Section 69 of Chapter 1044 of the 1991
7 Session Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws,
8 Section 27.3 of Chapter 769 of the 1993 Session Laws, Section 26.6 of Chapter 507 of
9 the 1995 Session Laws, Section 27.15 of Chapter 18 of the Session Laws of the 1996
10 Second Extra Session, and Section 15.44 of S.L. 1997-443 reads as rewritten:

11 "(b) The Beaver Damage Control Advisory Board shall develop a program to
12 control beaver damage on private and public lands. Anson, Bertie, Bladen,
13 Brunswick, Carteret, Chatham, Chowan, Craven, Columbus, Cumberland, Duplin,
14 Edgecombe, Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford, Hoke,
15 Johnston, Jones, Lee, Lenoir, Lincoln, Martin, Nash, New Hanover, Northampton,
16 Onslow, Pamlico, Pender, Pitt, Robeson, Sampson, Scotland, Vance, Warren,
17 Washington, Wayne, and Wilson Counties shall participate in the program. The
18 Beaver Damage Control Advisory Board shall act in an advisory capacity to the
19 Wildlife Resources Commission in the implementation of the program. In developing
20 the program, the Board shall:

21 (1) Orient the program primarily toward public health and safety and
22 toward landowner assistance, providing some relief to landowners
23 through beaver control and management rather than eradication;

- (2) Develop a priority system for responding to complaints about beaver damage;
- (3) Develop a system for documenting all activities associated with beaver damage control, so as to facilitate evaluation of the program;
- (4) Provide educational activities as a part of the program, such as printed materials, on-site instructions, and local workshops;
- (5) Provide for the hiring of personnel necessary to implement beaver damage control activities, administer the program, and set salaries of personnel;
- (6) Evaluate the costs and benefits of the program that might be applicable elsewhere in North Carolina.

No later than January 15, 1998, the Board shall issue a report to the Wildlife Resources Commission on the program to date, including recommendations on the feasibility of continuing the program in participating counties and the desirability of expanding the program into other counties. The Wildlife Resources Commission shall prepare a plan to implement a statewide program to control beaver damage on private and public lands. No later than March 15, 1998, the Wildlife Resources Commission shall present its plan in a report to the House Appropriations Subcommittee on Natural and Economic Resources, the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division."

Section 2. Subsection (h) of Section 69 of Chapter 1044 of the 1991 Session Laws, as amended by Section 111 of Chapter 561 of the 1993 Session Laws, Section 27.3 of Chapter 769 of the 1993 Session Laws, Section 26.6 of Chapter 507 of the 1995 Session Laws, Section 27.15 of Chapter 18 of the Session Laws of the 1996 Second Extra Session, and Section 15.44 of S.L. 1997-443 reads as rewritten:

"(h) Subsections (a) through (d) of this section expire June 30, ~~1998~~, 1999."

Section 3. Of the funds appropriated in this act to the Wildlife Resources Commission for the 1998-99 fiscal year, up to the sum of four hundred fifty thousand dollars (\$450,000) shall be used to provide the State share necessary to continue the beaver damage control program, provided the sum of twenty-five thousand dollars (\$25,000) in federal funds is available for the 1998-99 fiscal year to provide the federal share. These funds shall be matched by four thousand dollars (\$4,000) of local funds for the 1998-99 fiscal year from each of the participating counties. Counties participating in this program shall make a commitment of their local matching funds to the Wildlife Resources Commission no later than September 30, 1998.

Section 4. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

1

HOUSE BILL 1416*

Short Title: Sedimentation Control Funds.

(Public)

Sponsors: Representatives Hill; Culp, Church, Mitchell, and Weatherly.

Referred to: Appropriations.

May 21, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO IMPROVE THE IMPLEMENTATION
3 OF THE SEDIMENTATION POLLUTION CONTROL ACT OF 1973, AS
4 RECOMMENDED BY THE SEDIMENTATION CONTROL COMMISSION
5 AND THE ENVIRONMENTAL REVIEW COMMISSION.
6 The General Assembly of North Carolina enacts:
7 Section 1. There is appropriated from the General Fund to the
8 Department of Environment and Natural Resources the sum of six million five
9 hundred forty-eight thousand five hundred seventeen dollars (\$6,548,517) for the
10 1998-99 fiscal year to improve the implementation of the Sedimentation Pollution
11 Control Act of 1973.
12 Section 2. This act becomes effective 1 July 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1381

Short Title: Junaluska Creek Damage Funds.

(Public)

Sponsors: Representatives Carpenter; and Hurley.

Referred to: Appropriations.

May 21, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE DEPARTMENT OF
3 ENVIRONMENT AND NATURAL RESOURCES TO ASSIST LANDOWNERS
4 ON JUNALUSKA CREEK WHO HAVE SUFFERED PROPERTY DAMAGE
5 FROM THE IMPLEMENTATION OF THE FEDERAL EMERGENCY
6 WATERSHED PROGRAM.
7 The General Assembly of North Carolina enacts:
8 Section 1. There is appropriated from the General Fund to the
9 Department of Environment and Natural Resources, Division of Soil and Water
10 Conservation, the sum of seven thousand five hundred dollars (\$7,500) for the 1998-
11 99 fiscal year to assist landowners on Junaluska Creek who have suffered property
12 damage from the implementation of the federal emergency watershed program.
13 Section 2. This act becomes effective July 1, 1998.

**1998 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Mitchell, Carpenter and Baker for the Permanent Subcommittee on Economic and Natural Resources of the Standing Committee on Appropriations.

☐ Committee Substitute for

H.B. 1492

☐ A BILL TO BE ENTITLED AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE RURAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS (1) FOR GRANTS AND LOANS TO LOCAL GOVERNMENT UNITS FOR WATER SUPPLY SYSTEMS, WASTEWATER COLLECTION SYSTEMS, WASTEWATER TREATMENT WORKS, AND WATER CONSERVATION AND WATER REUSE PROJECTS AND (2) FOR GRANTS, LOANS, OR OTHER FINANCING TO PUBLIC OR PRIVATE ENTITIES FOR CONSTRUCTION OF NATURAL GAS FACILITIES.

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill which changes the title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: _____

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY TO THE FLOOR OF THE HOUSE:

Rep. Holmes for the Standing Committee on Appropriations.

s/ George M. Holmes

- ☐ With a favorable report.
- ☐ With a favorable report, as amended.
- ☐ With a favorable report as to committee substitute bill (# 2), ☐ which changes the title, unfavorable as to original bill (Committee Substitute Bill # 1). (and recommendation that the committee substitute bill (# 2) be referred to the Committee on Finance.)
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

4/24/97

Minutes

House Appropriations Sub-Committee on

Natural and Economic Resources

June 30, 1998 - 9:00 a.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met on Tuesday, June 30, 1998 at 9:00 a.m. in Room 605 of the Legislative Office Building. Representative Jim Carpenter, Co-Chair, called the meeting to order at 9:02 a.m. Members present were Representatives Carpenter, Mitchell, Baker, Owens, Allen, Culp, Hall, Hunter, Tolson, and Weatherly.

After introductions, the following bills were reviewed.

House Bill 1535 *Structural Pest Control Funds*

Representative John Brown, sponsor, briefly explained the bill (see Attachment A). Weldon Denny, Deputy Commissioner of the Department of Agriculture and Consumer Services, noted the necessity of the funding. Representative Mitchell asked how many positions would this create. Mr. Denny replied it would add twelve positions and noted there had been no increase since 1985. He continued by asking where the positions would be added. Mr. Denny replied the positions which would include five inspectors, clerical staff and staff for outreach training would be located throughout the State. Representative Weatherly asked would these individuals be involved in the disposal of pesticides. Maurice Weaver, Deputy Commissioner in the Department of Agriculture and Consumer Services, replied the disposal of pesticides is done by the Food and Drug Protection Division at the county level. Representative Baker asked what would be the minimum number of positions the Department needs. Mr. Denny replied the Department could use as many positions as the Sub-Committee could fund. Representative Baker asked if the public would suffer if not all the positions were funded. Mr. Denny replied the pre-construction of homes require inspection, and the Department needs to keep up with the demand. Representative Hall asked why aren't all funding requests in one bud-get. Mr. Denny replied adjustments are necessary. Representative Culp asked what is used to kill termites. Jill Bryan, Assistant Director of the Structural Pest Control Division, explained which chemicals are currently used. Representative Weatherly noted that the pre-construction of homes must be treated for termites, and the funding request is a way to protect the public's health. Representative Allen asked what percentage of inspections are being missed. Ms. Bryan replied she didn't know what percentage was being missed but explained that routine in which licenses are monitored. Representative Tolson asked if the funding request was totally for inspections. Mr. Denny replied the funding is for inspectors, training, and clerical positions. Representative Hall asked if fees could cover the cost for inspectors. Mr. Denny replied

fees charged would not cover the cost for inspectors. Representative Weatherly noted the State establishes the Structural Licensing Board which maintains the standards and methods that protect the consumer.

House Bill 1536 *Pesticide/Food Laboratories Funds*

Representative John Brown, sponsor, allowed Mr. Weaver to explain the bill (see Attachment B). He noted the need to update the laboratories and strengthen the program. Representative Baker asked how many positions are in the request. Mr. Weaver replied ten positions but the request is primarily for equipment. Representative Baker asked how long has it been since updates (equipment and added personnel) have been made. Bruce Williams, Assistant Director of the Regulatory Program in the Food and Drug Protection Division, replied updates haven't been made since the early 1980's. Representative Weatherly asked if there was a backlog. Mr. Weaver replied there is some backlog but some of the equipment isn't up to standard. Representative Owens asked what was the total number of persons. Mr. Weaver replied there are approximately 65 in the laboratory, and the funding request covers two out of the four labs. Representative Baker asked if the food lab does any nutritional labeling. Mr. Weaver replied there is some analysis done. Representative Tolson asked what percentage of the request is for equipment. Mr. Weaver replied one third. Representative Owens asked if fees are charged for testing. Mr. Weaver replied the fees aren't required for regulatory testing.

House Bill 1565 *Environmental Farming Funds*

Representative John Brown, sponsor, allowed Jim Oblinger, Dean of the College of Agriculture and Life Sciences at North Carolina State University, to explain the bill (see Attachment C). Representative Hall asked what are some of the methods in environmental farming that are being tried. Roger Crickenberger, Assistant Director of the Cooperative Extension Service at North Carolina State University, replied two aspects of farming that are being tried are components of organic farming systems, and water quality monitoring which included the study of sedimentation, nutrient movement, and pesticide movement in crop-producing areas. He further noted the farm is situated close to the Neuse and Little Rivers which would allow the Center to study surface water flow and potential contamination surrounding bodies of water and ground water monitoring. Representative Hall asked if this duplicates what the Division of Water Quality in DENR is doing. Mr. Crickenberger replied the systems would be unique because of the ability to do controlled studies as well as allowing economists to be involved which would determine cost-effective methods. Representative Weatherly asked where the Center is located. Mr. Weaver replied the Center is located at the farm at Cherry Hospital in Goldsboro, North Carolina. Representative Weatherly asked if the funding request would be recurring. Mr. Weaver replied a portion of the request would be which would be for operating resources but noted the start-up funding is more. Representative Allen asked if traditional farming is being done at the Center (as well as organic farming). Carl Tart, Assistant Director of the Research Stations with the Department of Agriculture and Consumer Services, replied all methods of farming are being done at the Center. Representative Allen asked if any chemicals are used in organic farming. Mr. Tart replied certain classifications of chemicals are being used in organic farming. Dewey

Botts, Director of the Soil and Water Conservation Division of the Department of Environment and Natural Resources, noted the Center's uniqueness because of its proximity to the river basin, and the controlled research on conservation tillage and animal operations. Representative Hall remarked the Center reflects an experimental setting and not the family farm. Mr. Botts replied the aspects would be shown to farmers as a model to educate them on protecting the environment and increasing their productivity. Dean Oblinger also agreed with the remarks made by Mr. Botts. Representative Weatherly noted his approval that part of the Center was designated for organic farming. Representative Baker noted his concern for the social aspects of farming. Mr. Crickenberger responded by noting the objectives of the Center, how the technologies developed at the Center will be applicable to the small family farmer, and how environmental farming it will ultimately provide a food supply in an environmentally-sound manner.

House Bill 1566 *Goodness Grows in NC Funds*

Representative John Brown, sponsor, allowed Wayne Miller, Director of Marketing in the Department of Agriculture and Consumer Services, to explain the bill (see Attachment D). He noted the program began in 1985, and it is the largest marketing program in the nation. Representative Owens asked if the funds would be used for marketing. Mr. Miller replied the funding would be solely used for marketing. Representative Mitchell asked how far from North Carolina is the program marketed. Mr. Miller replied the marketing of the program has been at shows in Florida, Atlanta, New York, NY, Cincinnati, Chicago and Bermuda (generally one thousand miles from North Carolina) as well as international shows. Representative Mitchell asked what products are in the highest demand. Mr. Miller replied there is a strong interest in aquaculture (shellfish, trout) and barbecue sauces. Representative Carpenter asked if the program could market strawberry plants and Christmas trees. Mr. Miller replied the program has a market for strawberry plants and Christmas trees especially ornamental plants (nursery stock). Representative Owens asked what was the program goal regarding the funding increase. Mr. Miller replied the goal was an increase of 10% in marketing products.

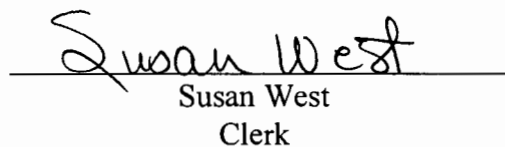
House Bill 1436 entitled Pan-American Games Funds was not heard at the request of the bill sponsor.

The Sub-Committee adjourned at 9:45 a.m. to reconvene on Wednesday, July 1, 1998 at 9:00 a.m.

Respectfully submitted,



Jim Carpenter
Co-Chair



Susan West
Clerk

**House Appropriations Sub-Committee on
Natural and Economic Resources**

Tuesday, June 30, 1998

9:00 a.m.

AGENDA

I. Introductions

II. Review of Bills

House Bill 1535

Structural Pest Control Funds
Representative John Brown

House Bill 1536

Pesticide/Food Laboratories Funds
Representative John Brown

House Bill 1565

Environmental Farming Funds
Representative John Brown

House Bill 1566

Goodness Grows in NC Funds
Representative John Brown

House Bill 1436

Pan-American Games Funds
Representative Sam Ellis

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

June 30, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Paul Lamb

Laurel Consulting

Johnny Gray

OSBM

Shorebirds

OSBM

JAMES L. OBLINGER

NC STATE UNIVERSITY

ROGER R CRICKENBERGER

NC STATE UNIVERSITY

June B. Weston

UNC-GA / NCSU Ag Prgms.

✓ Joe McClees

TDA, N.C. Sept., N.C. Dist. to be [Env Prof.]

JOHN CIANNAMON

717

Doua Lassiter

N.C. Septic Tank Assoc

Bruce Williams

NQDA + LS

John Smith

NCDAT & CS

Carl West

$$MCD A + C S$$

Jill Bryan

NCD A & C S

Walter Henry

12 15 15 12

Wayne Miller

八 九

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

1

HOUSE BILL 1535

Short Title: Structural Pest Control Funds.

(Public)

Sponsors: Representatives Brown and Carpenter.

Referred to: Appropriations.

May 27, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR STRUCTURAL PEST CONTROL
3 ENFORCEMENT.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to the
6 Department of Agriculture and Consumer Services the sum of six hundred eighty-five
7 thousand eight hundred forty-seven dollars (\$685,847) for the 1998-99 fiscal year for
8 expansion of existing structural pest control licensing and enforcement required by
9 the State's population growth.

10 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1536

Short Title: Pesticide/Food Laboratories Funds.

(Public)

Sponsors: Representatives Brown and Carpenter.

Referred to: Appropriations.

May 27, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR PESTICIDE AND FOOD
3 LABORATORY EXPANSION.
4 The General Assembly of North Carolina enacts:
5 Section 1. There is appropriated from the General Fund to the
6 Department of Agriculture and Consumer Services the sum of seven hundred thirty-
7 two thousand ninety-five dollars (\$732,095) for the 1998-99 fiscal year for expansion
8 of the pesticide and food laboratories.
9 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

1

HOUSE BILL 1565

Short Title: Environmental Farming Funds.

(Public)

Sponsors: Representatives Brown, Carpenter; Davis and Tolson.

Referred to: Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR RESEARCH AND
3 DEMONSTRATION OF ENVIRONMENTALLY SOUND FARMING
4 PRACTICES.

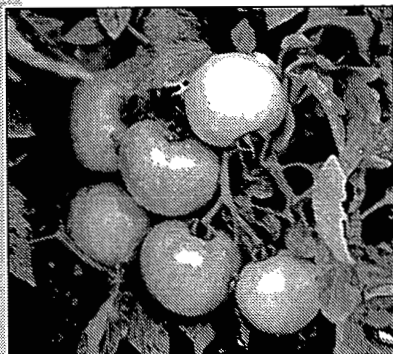
5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the
7 Department of Agriculture and Consumer Services the sum of one million nine
8 hundred twenty-eight thousand one hundred thirty-eight dollars (\$1,928,138) for the
9 1998-99 fiscal year for research and demonstration of environmentally sound farming
10 practices at the Cherry Farm Unit in Goldsboro.

11 Section 2. This act becomes effective July 1, 1998.

The Answer

We believe the answer to be a resounding "yes"! We believe farmers are doing a very good job, with the technology available to them today. But will today's technology provide adequate food and fibre, with minimal impact on the environment into the next century? Given the critical nature of these issues, enviromental farming systems must be our focus.



The Focus

Located at the North Carolina Department of Agriculture and Consumer Services (NCDA&CS) Cherry Farm Unit, the Center for Environmental Farming Systems is the first research facility of its kind in the state. The Center focuses on whole farm systems that are environmentally, economically and socially sustainable. The Center is dedicated to protecting and enhancing North Carolina's environmental quality as well as the long term productivity and profitability of its farms. A partnership comprised of farmers, citizens, government agencies and universities is working on answers to North Carolina's agricultural questions.

Budget Proposal:

.....

Capital Development

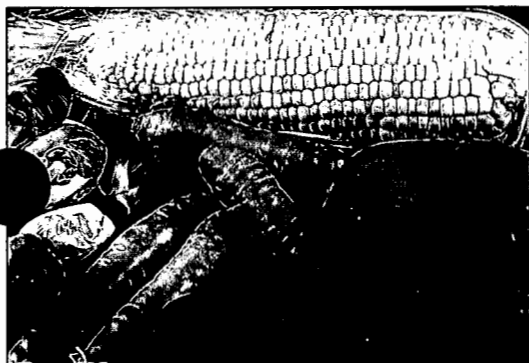
Irrigation System	\$2,318,600
Research/Laboratory Facility	\$859,000
No-Till Operations Facility	\$506,400
Greenhouse/Headhouse	\$816,000
Office/Conference Center	\$504,000
Hay Storage Bldgs. (2)	\$345,400
Composting Shed	\$174,200
	\$5,523,600

Operating Support:	NCDA&CS	\$1,308,138
Operating Grants:	NCSU/NCA&T	\$520,000
Research Grants:	NCSU/NCA&T	\$100,000

The Center for Environmental Farming Systems will benefit all citizens of North Carolina through the research of more efficient, environmentally sensitive agricultural practices that provide the safest and best agricultural products for consumers.

The Benefits

The Center for Environmental Farming Systems is developing profitable agricultural systems that satisfy two inescapable needs: a clean environment and a safe, high quality supply of food and fiber. As an educational facility, gathering place and focal point, the Center increases public understanding of agriculture and its relationship with the environment. The health and prosperity of future generations depends upon a mutually beneficial partnership of agriculture, environment and consumers. At our Center for Environmental Farming Systems, this partnership finds a home.



For more information about this proposal, please contact:

Maurice A. Weaver
Deputy Commissioner

North Carolina Department of
Agriculture and Consumer Services

P.O. Box 27647
Raleigh, NC 27611-7611
919-733-7314

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Is Environmentally Compatible Agriculture Possible?



The Center for
Environmental Farming
Systems

Budget Proposal

North Carolina Department of
Agriculture and Consumer Services

James A. Graham, Commissioner

North Carolina State University
College of Agriculture & Life Sciences

James L. Oblinger, Dean

North Carolina A&T State University
School of Agriculture

Daniel D. Godfrey, Dean

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1566

Short Title: Goodness Grows in NC Funds.

(Public)

Sponsors: Representatives Brown, Carpenter; Davis, Owens, and Tolson.

Referred to: Appropriations.

May 28, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR MARKETING NORTH CAROLINA
3 GROWN PRODUCTS.
4 The General Assembly of North Carolina enacts:
5 Section 1. There is appropriated from the General Fund to the
6 Department of Agriculture and Consumer Services the sum of two hundred thousand
7 dollars (\$200,000) for the 1998-99 fiscal year for expansion of the Goodness Grows
8 Program, which promotes the sales of North Carolina grown products.
9 Section 2. This act becomes effective July 1, 1998.

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES

JULY 1, 1998

The House Appropriations Subcommittee on Natural and Economic Resources met at 9:00 a.m. on July 1, 1998 in Room 605 in the Legislative Office Building.

Representative Stan Fox presided and the following members were present:

Representatives Mitchell, Baker and Carpenter, Co-Chairs; Representatives Allen, Culp, Hall, H. Hunter, Owens, Tolson and Weatherly. Visitor registration sheet is attached and made part of the minutes.

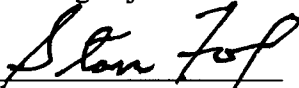
Presiding Chairman Fox recognized the pages, Stephanie Short of Vance County and Missy Perritt of Carteret County. He then called on Representative Lanier Cansler to explain HB 1531 - Home/Community Partnership Funds. The bill requests 2.5M in appropriations for assistance funds to expand the 5013C program for low-income home ownership which is administered by the Housing Finance Agency. Rep. Cansler answered questions from members. Rob Scofield from the NC Low Income Housing Coalition was recognized to speak on behalf of the bill. He offered to get any additional information that the members felt they needed to answer their questions. No action was taken on the bill.

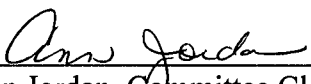
Chairman Fox recognized Rep. Dub Dickson to explain HB 738 - Equine Infectious Anemia Test/Funds. The bill requests an appropriation of \$269,714 so that the public showing or sale of horses can be tested for this disease. The money covers the cost of testing. No action taken on the bill.

Chairman Fox recognized Rep. Ed McMahan to explain HB 1631 - White Oaks Mansion Funds. The funds would be used to convert a landmark in Charlotte to a leadership training center for public school teachers and administrators. No action was taken.

Chairman Fox recognized Rep. Dennis Reynolds to explain HB 1681 - Information Technology Trust Fund. Rep. Reynolds passed out a PCS for the bill. Motion was made and passed to consider the PCS. Rep. Reynolds talked briefly regarding this bill but due to time constraints was asked to return to the next meeting for additional discussion.

The meeting adjourned at 10:00.


Rep. Stan Fox, Chairman


Ann Jordan, Committee Clerk

**House Appropriations Sub-Committee on
Natural and Economic Resources**

Wednesday, July 1, 1998

9:00 a.m.

AGENDA

I. Introductions

II. Review of Bills

House Bill 738

Equine Infectious Anemia Test/Funds
Representative W. W. "Dub" Dickson

House Bill 1531

Home/Community Partnership Funds
Representative Lanier Cansler

House Bill 1631

White Oaks Mansion Funds
Representative Ed McMahan

House Bill 1681

Information Technology Trust Fund
Representative Dennis Reynolds

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 1, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME _____

FIRM OR AGENCY AND ADDRESS

Benny Scarbro

NC Horse Council

Carrie Altma

NC Science & Technology

Lu - Anna Coe

fff

Danny McGuire

Dept of Commerce / ITS

AD - 2000

002

Imyab Boun

Smith Anderson

Valma DeVries

DENR

Richard A. Brannaman

NC Horse Council

Parker

Bone & Associates

I. Carlisle Hooper

NC Horse Council

K. G. Schpel

NCSC

John Bowditch

Zele Alley PA.

Cellulose

NCR A

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1531

Short Title: Home/Community Partnership Funds.

(Public)

Sponsors: Representatives Cansler; and Sherrill.

Referred to: Appropriations.

May 27, 1998

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO INCREASE AND SUSTAIN THE
3 CAPACITY OF NONPROFIT HOUSING DEVELOPERS TO PRODUCE
4 AFFORDABLE HOUSING AND STRENGTHEN COMMUNITIES.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the North
7 Carolina Housing Finance Agency the sum of two million five hundred thousand
8 dollars (\$2,500,000) for the 1998-99 fiscal year to be allocated to community-based
9 nonprofit low-income housing development and technical assistance organizations.
10 These funds shall be used to support the development of housing affordable to
11 persons of low income, for direct grants to new and existing housing development
12 and technical assistance organizations to support operations and project activities, and
13 for administrative and other operational purposes that expand the capacity of these
14 organizations to provide affordable housing and associated comprehensive services
15 and programs.

16 Section 2. The North Carolina Housing Finance Agency shall adopt
17 temporary rules pursuant to G.S. 150B-21.1 within 90 days of the effective date of this
18 act governing the eligibility of applicants, application procedures, eligibility
19 requirements, criteria and standards for awarding grants, and performance standards
20 for continued funding and shall make available to the general public and interested
21 parties adequate opportunity for input into the rule-making process.

22 Section 3. The North Carolina Housing Finance Agency shall report
23 every six months to the Joint Legislative Commission on Governmental Operations

1 on the use of these funds allocated pursuant to this act. The Agency shall not use
2 these funds for its own administrative purposes.

3 Section 4. For purposes of this act, the term "community-based nonprofit
4 low-income housing development and technical assistance organization" means a
5 nonprofit corporation chartered pursuant to section 501(c)(3) of the Internal Revenue
6 Code, which has as a major purpose the development and improvement of housing
7 that is affordable to persons of low income; serves the community in which it is
8 located; is neither controlled by, nor under the direction of, individuals or entities
9 seeking to derive profit or gain from the organization; and maintains accountability to
10 low-income community residents through board membership or other formal
11 processes for input into the organization's housing decision-making process. For
12 purposes of this act, the term "low-income" refers to persons and families whose
13 incomes do not exceed eighty percent (80%) of the area median family income, with
14 adjustments for family size, according to the latest figures available for the United
15 States Department of Housing and Urban Development.

16 Section 5. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 738

Short Title: Equine Infectious Anemia Test/Funds.

(Public)

Sponsors: Representatives Dickson; and Hensley.

Referred to: Appropriations.

April 1, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE MANDATORY TESTING FOR EQUINE
3 INFECTIOUS ANEMIA AND TO APPROPRIATE FUNDS TO ENFORCE THE
4 MANDATORY TESTING.

5 The General Assembly of North Carolina enacts:

6 Section 1. No later than October 1, 1997, the Board of Agriculture shall
7 adopt rules pursuant to its authority under G.S. 106-405.17 to provide for the
8 mandatory testing of equines for equine infectious anemia prior to sale or prior to
9 exhibition or assembly at public stables or other public places.

10 Section 2. There is appropriated from the General Fund to the
11 Department of Agriculture the sum of two hundred eighty-four thousand seven
12 hundred fourteen dollars (\$284,714) for the 1997-98 fiscal year and the sum of two
13 hundred sixty-nine thousand seven hundred fourteen dollars (\$269,714) for the 1998-
14 99 fiscal year to be used for the costs of enforcing the mandatory testing program
15 under Section 1 of this act.

16 Section 3. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1631

Short Title: White Oaks Mansion Funds.

(Public)

Sponsors: Representatives McMahan; and Earle.

Referred to: Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO SUPPORT THE WILLIAM STATES
3 LEE LEADERSHIP INSTITUTE AND TO RENOVATE AND SUPPORT THE
4 HISTORIC WHITE OAKS MANSION.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to The
7 Lynnwood Foundation, a nonprofit corporation, the sum of three million dollars
8 (\$3,000,000) for the 1998-99 fiscal year for operating expenses of the William States
9 Lee Leadership Institute, which is held at the historic White Oaks Mansion, and for
10 renovating and operating expenses of the White Oaks Mansion.

11 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1681

Short Title: Information Technology Trust Fund.

(Public)

Sponsors: Representatives Reynolds; Davis, Mosley, Shubert, and Tolson.

Referred to: Appropriations.

June 1, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE INFORMATION TECHNOLOGY TRUST FUND.
3 The General Assembly of North Carolina enacts:
4 Section 1. Article 10 of Chapter 143B of the General Statutes is
5 amended by adding a new Part to read:
6 "Part 17. Information Technology Trust Fund.
7 "§ 143B-472.50. Information Technology Trust Fund: established.
8 (a) There is established an Information Technology Trust Fund in the Department
9 of State Treasurer that shall be used to develop and promote strategic technology and
10 electronic commerce initiatives in State government through grants awarded to State
11 agencies pursuant to criteria adopted by the Board of Trustees established pursuant to
12 G.S. 143B-472.52.
13 (b) The State Treasurer shall hold the Fund separate and apart from all other
14 moneys, funds, and accounts. Investment earnings credited to the assets of the Fund
15 shall become part of the Fund. Any balance remaining in the Fund at the end of any
16 fiscal year shall be carried forward in the Fund for the next succeeding fiscal year.
17 Payments from the Fund shall be made on the warrant of the Chair of the Board of
18 Trustees.
19 "§ 143B-472.51. Information Technology Trust Fund: eligibility and criteria for
20 grants; reporting.
21 (a) The Board of Trustees shall adopt criteria and requirements for allocating
22 moneys from the Fund as grants and for awarding grants to State agencies as
23 authorized pursuant to this Article.

1 In developing the criteria, the Trustees shall consider the need to develop a
2 statewide information technology strategy and initiatives, including public/private
3 partnerships, for the purpose of serving and responding to the inquiries and requests
4 of the citizens of the State in a more efficient and effective manner. The Board of
5 Trustees shall also encourage State agencies to develop information technology
6 projects, information systems training programs, information systems documentation,
7 and quality assurance policies for those projects and programs. The Trustees may
8 develop guidelines in addition to the grant criteria consistent with and as necessary to
9 implement this Article.

10 (b) The Trustees may adopt rules to implement this Article. Chapter 150B of the
11 General Statutes applies to the adoption of rules by the Trustees.

12 (c) The Chair of the Board of Trustees of the Information Technology Trust Fund
13 shall report to the Joint Legislative Commission on Governmental Operations
14 beginning November 1, 1998, and annually thereafter on implementation of this
15 section. A written copy of the report shall also be sent to the Fiscal Research Division
16 of the General Assembly beginning November 1, 1998, and annually thereafter on
17 implementation of this section. No later than November 1, 1999, and quarterly
18 thereafter, the Chair of the Trustees shall submit to the Joint Legislative Commission
19 on Governmental Operations and the Chairs of the Appropriations Committees of
20 the House of Representatives and the Senate a list of the projects awarded grants
21 from the Fund that quarter. The list shall include for each project a description of
22 the project, the amount of the grant awarded for the project, and the total cost of the
23 project. A written copy of the list and other information regarding the projects shall
24 also be sent to the Fiscal Research Division of the General Assembly.

25 **"§ 143B-472.52. Information Technology Trust Fund; Board of Trustees established;**
26 **membership qualifications; vacancies; meetings and meeting facilities.**

27 (a) There is established the Information Technology Trust Fund Board of
28 Trustees. The Information Technology Trust Fund Board of Trustees shall be
29 independent, but for administrative purposes shall be located under the Department
30 of Commerce.

31 (b) The Information Technology Trust Fund Board of Trustees shall be composed
32 of 18 members as follows:

- 33 (1) The State Treasurer, or the Treasurer's designee, ex officio.
- 34 (2) The State Auditor, or the Auditor's designee, ex officio.
- 35 (3) The State Controller, or the Controller's designee, ex officio.
- 36 (4) The Secretary of the Department of Commerce, or the Secretary's
37 designee, ex officio.
- 38 (5) The Secretary of State, or the Secretary's designee, ex officio.
- 39 (6) The Secretary of the Department of Administration, or the
40 Secretary's designee, ex officio.
- 41 (7) The Assistant Secretary of Commerce for Information Technology,
42 or that person's designee, ex officio.
- 43 (8) The Chair of the State Information Processing Services Advisory
44 Board, ex officio.

- 1 (9) The Chair of the Criminal Justice Information Network Governing
2 Board, ex officio.
- 3 (10) The Chair of the Information Resource Management Commission,
4 ex officio.
- 5 (11) Two members appointed by the Governor who are citizens of the
6 State and have a background in and familiarity with information
7 systems or telecommunications.
- 8 (12) Three members appointed by the General Assembly upon the
9 recommendation of the President Pro Tempore of the Senate who
10 are citizens of the State and have a background in and familiarity
11 with information systems or telecommunications.
- 12 (13) Three members appointed by the General Assembly upon the
13 recommendation of the Speaker of the House of Representatives
14 who are citizens of the State and have a background in and
15 familiarity with information systems or telecommunications.

16 Members of the Commission shall not be employed by or serve on the board of
17 directors or other corporate governing body of any information systems, computer
18 hardware, computer software, or telecommunications vendor of goods and services to
19 the State of North Carolina. The appointed members shall represent the three
20 geographic regions of the State and reflect the racial and socioeconomic diversity of
21 the State. Members appointed by the General Assembly shall be appointed in
22 accordance with G.S. 120-121.

23 (c) Initial Appointments. -- Each appointing officer shall designate two of the
24 officer's initial appointments to serve two-year terms, two to serve four-year terms,
25 and two to serve six-year terms. Thereafter, all appointments shall be for four years,
26 subject to reappointment. All initial appointments shall be made on or before
27 January 1, 1999. The Governor shall appoint one Trustee to serve as Chair of the
28 Board.

29 (d) If a vacancy occurs, other than by the expiration of term, of a member subject
30 to appointment by the General Assembly upon the recommendation of the Speaker
31 of the House of Representatives or the President Pro Tempore of the Senate, the
32 vacancy shall be filled in accordance with G.S. 120-122. All other vacancies shall be
33 filled by the appointing official in the original manner.

34 (e) The Trustees shall meet at least twice each year and may hold special meetings
35 at the call of the Chair or a majority of the members.

36 (f) The Trustees shall receive per diem and necessary travel and subsistence
37 expenses in accordance with the provisions of G.S. 138-5. Per diem, subsistence, and
38 travel expenses of the Trustees shall be paid from the Fund.

39 (g) Meeting Facilities. -- The Secretary of the Department of Commerce shall
40 provide meeting facilities for the Board of Trustees as requested by the Chair. All
41 clerical staff, services, equipment, and supplies required by the Board of Trustees
42 shall be provided by the Department of Commerce."

43 Section 2: The Chair of the Board of Trustees of the Information
44 Technology Trust Fund shall report to the Joint Legislative Commission on

1 Governmental Operations and to the Chairs of the House of Representatives and
2 Senate Appropriations Committees by November 1, 1998, on:

3 (1) The criteria and guidelines adopted by the Board pursuant to G.S.
4 143B-472.51 as enacted by this act.

5 (2) The Board's recommendations regarding means of continued
6 funding for the Information Technology Trust Fund, including the
7 advisability and feasibility of funding the Trust Fund by reversions
8 of State funds appropriated to agencies for technology and
9 information systems.

10 (3) Any legislative proposals to implement the objectives and purposes
11 of Part 17 of Article 10 of Chapter 143B of the General Statutes, as
12 enacted by this act.

13 A written copy of the report shall be sent to the Fiscal Research Division of the
14 General Assembly by November 1, 1998.

15 Section 3. G.S. 120-123 is amended by adding a new subdivision to read:
16 "(23) The Information Technology Trust Fund Board of Trustees as
17 established by G.S. 143B-472.50."

18 Section 4. There is appropriated from the General Fund to the
19 Information Technology Trust Fund established pursuant to this act the sum of ten
20 million dollars (\$10,000,000) for the 1998-99 fiscal year to implement the provisions
21 of this act.

22 Section 5. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1997

H

D

HOUSE BILL 1681
Proposed Senate Committee Substitute H1681-PCS1583-LT1

Short Title: Information Technology Trust Fund.

(Public)

Sponsors:

Referred to:

June 1, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE INFORMATION TECHNOLOGY TRUST FUND.
3 The General Assembly of North Carolina enacts:
4 Section 1. G.S. 143B-472.41(b) reads as rewritten:
5 "(b) Powers and Duties. -- The Commission has the following powers and duties:
6 (1) To develop, approve, and publish a statewide information
7 technology strategy covering the current and following biennium
8 that shall be updated annually and shall be submitted to the
9 General Assembly on the first day of each regular session.
10 (2) To develop, approve, and sponsor statewide technology initiatives
11 and to report on those initiatives in the annual update of the
12 statewide information technology strategy.
13 (3) To review and approve biennially the information technology plans
14 of the executive agencies and to review and comment biennially on
15 the information technology plans of the Administrative Office of
16 the Courts. This review shall include plans for the procurement
17 and use of personal computers and workstations.
18 (4) To recommend to the Governor and the Office of State Budget
19 and Management the relative priorities across executive agency
20 information technology plans.
21 (5) To establish a quality assurance policy for all agency information
22 technology projects, information systems training programs, and
23 information systems documentation.

- (6) To establish and enforce a quality review and expenditure review procedure for major agency information technology projects.
- (7) To review and approve expenditures from appropriations made to the Office of State Budget and Management for the purpose of creating a Computer Reserve Fund.
- (8) To develop and promote a policy and procedures for the fair and competitive procurement of information technology consistent with the rules of the Department of Administration and consistent with published industry standards for open systems that provide agencies with a vendor-neutral operating environment where different information technology hardware, software, and networks operate together easily and reliably.
- (9) To administer the Information Technology Trust Fund established pursuant to G.S. 143B-472.41A and adopt criteria and requirements for allocating moneys from the Fund as grants and for awarding grants to State agencies."

Section 2. Part 16 of Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-472.41A. Information Technology Trust Fund established; eligibility and criteria for grants; reporting.

(a) There is established an Information Technology Trust Fund in the Department of Commerce that shall be used to develop and promote strategic technology and electronic commerce initiatives in State government through grants awarded to State agencies pursuant to criteria adopted by the Information Resource Management Commission.

(b) The Department shall hold the Fund separate and apart from all other moneys, funds, and accounts. Investment earnings credited to the assets of the Fund shall become part of the Fund. Any balance remaining in the Fund at the end of any fiscal year shall be carried forward in the Fund for the next succeeding fiscal year. Payments from the Fund shall be made on the warrant of the Information Resource Management Commission drawn on the State Treasurer.

(c) The Information Resource Management Commission shall adopt criteria and requirements for allocating moneys from the Fund as grants and for awarding grants to State agencies as authorized pursuant to this section. In developing the criteria, the Commission shall consider the need to develop a statewide information technology strategy and initiatives, including public/private partnerships, for the purpose of serving and responding to the inquiries and requests of the citizens of the State in a more efficient and effective manner. The Commission shall also encourage State agencies to develop information technology projects, information systems training programs, information systems documentation, and quality assurance policies for those projects and programs. The Commission may develop guidelines in addition to the grant criteria consistent with and as necessary to implement this section.

(d) The Commission shall report to the Joint Legislative Commission on Governmental Operations beginning November 1, 1998, and annually thereafter on

1 implementation of this section. A written copy of the report shall also be sent to the
2 Fiscal Research Division of the General Assembly beginning November 1, 1998, and
3 annually thereafter on implementation of this section. No later than November 1,
4 1999, and quarterly thereafter, the Commission shall submit to the Joint Legislative
5 Commission on Governmental Operations and the Chairs of the Appropriations
6 Committees of the House of Representatives and the Senate a list of the projects
7 awarded grants from the Fund that quarter. The list shall include for each project a
8 description of the project, the amount of the grant awarded for the project, and the
9 total cost of the project. A written copy of the list and other information regarding
10 the projects shall also be sent to the Fiscal Research Division of the General
11 Assembly."

12 Section 3. There is appropriated from the General Fund to the
13 Information Technology Trust Fund established pursuant to this act the sum of ten
14 million dollars (\$10,000,000) for the 1998-99 fiscal year to implement the provisions
15 of this act.

16 Section 4. Section 3 of this act becomes effective July 1, 1998. The
17 remainder of this act is effective when it becomes law.



North Carolina Department of Commerce

James B. Hunt, Jr., Governor

Rick Carlisle, Secretary

MEMORANDUM

TO: Hon. Dennis Reynolds
Hon. Wib Gulley
Hon. Eric Reeves

FROM: Richard C. Webb 

DATE: June 24, 1998

SUBJECT: IRMC Endorsement – Legislative Proposals

I am pleased to inform you that on June 2, 1998, the Information Resource Management Commission (IRMC) unanimously endorsed the following bills:

H.B. 1357 – Best Value Information Technology Procedures
H.B. 1356/S.B. 1170 – Electronic Commerce Act
H.B. 1495/S.B. 1288 – Health Care Information Privacy
H.B. 1681 – Information Trust Fund

The motion of endorsement of the bills included a request that the chief sponsors of the bills be notified of the IRMC's endorsement, and that is the purpose of this memorandum.

As you know, the Commission is very interested in the promotion of electronic commerce for the citizens of North Carolina and has established a formal work group on electronic commerce. Secretary of State Elaine Marshall is chairing the work group.

If I can be of any assistance to you regarding this endorsement, please call me.

Richard C. Webb, Assistant Secretary for Information Technology and Chief Information Officer
Information Technology Services
3700 Wake Forest Road • Raleigh, North Carolina 27609-6860 • Telephone 919-981-5555
State Courier 51-01-11 • FAX 919-981-5043

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Minutes

House Appropriations Sub-Committee on

Natural and Economic Resources

July 2, 1998 - 9:00 a.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met on Thursday, July 2, 1998 at 9:00 a.m. in Room 605 of the Legislative Office Building. Representative Rex Baker, Co-Chair, called the meeting to order at 9:00 a.m. Members present were Representatives Baker, Mitchell, Carpenter, Owens, Allen, Culp, Fox, Hall, Tolson, and Weatherly.

After introductions, the following bills were reviewed.

House Bill 1650 *Food Safety Program Funds*

Representative Jim Carpenter, sponsor, briefly explained the bill which was introduced on behalf on the Department of Agriculture and Consumer Affairs (see Attachment A). Maurice Weaver, Deputy Commissioner, explained the need for food inspection. Representative Baker asked if the health and safety of the people of the State were in jeopardy without the funding for the program. Mr. Weaver replied they were because the margin of safety drops with less inspections. Representative Fox asked what the funding was for. Mr. Weaver replied the funding was for inspectors (three additional inspectors). Representative Allen asked if the funding was included in the Senate budget. Mr. Weaver replied the funding was not included in the Senate budget. Bruce Williams, Assistant Director of the Program, further commented about the need to analyze residues found on food to ensure its safety for the consumer.

House Bill 1651 *Animal Waste Testing Funds*

Representative Jim Carpenter, sponsor, briefly explained the bill (see Attachment B). Representative Baker asked if funds were allocated when the regulation was enacted. Jennifer Herrera of the Fiscal Research Division replied there wasn't an appropriation requested. Dr. Don Eaddy, Director of the Agronomic Services Division, further explained the increase of testing as a result of passage of Senate Bill 1217. Representative Baker asked how many positions does the funding create. Dr. Eaddy replied the funding would create four positions and would include funds for supplies and equipment. He further noted that out-of-state labs can do the testing but it is very expensive. Dr. Eaddy added that out-of-state labs don't interpret the data and don't make recommendations which is more important. Representative Baker asked if these are bacterial or chemical analysis. Dr. Eaddy replied they are chemical analysis. Representative Fox asked if the Senate had included the funding in their budget. Dr. Eaddy replied it was included in the Senate budget.

House Bill 1652 *Multiflora Rose Control Funds*

Representative Jim Carpenter, sponsor, briefly explained the bill (see Attachment C). Bill Dickerson, Director of the Plant Industry Division in the Department of

Agriculture and Consumer Services, further explained how multiflora rose spreads and how the cost share program will help the land owner eradicate it. Representative Weatherly asked how much acreage does this include. Mr. Dickerson replied multiflora rose is located in every county in the State (affects 60 % land owners). Representative Allen asked if multiflora rose was being sold to create a "living fence." Mr. Dickerson replied it was being sold as a wind breaker as well as creating a "living fence." Representative Baker asked how the cost share will be administered. Mr. Dickerson replied the cost share will be allocated at the county level by the county coordinator.

House Bill 1653 *Pseudorabies Eradication Funds*

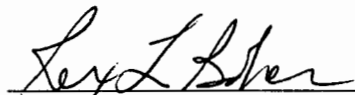
Representative Jim Carpenter, sponsor, briefly explained the bill (see Attachment D). Mr. Weaver further explained the situation with shipping feeder pigs. Dr. Maurice Mixson, Director of Field Services in the Veterinary Division, explained the situation in other states which are free of pseudorabies, the need to eradicate the disease. He noted the funding will increase the testing process. Representative Baker asked if the funding was included in the Senate budget. Mr. Weaver replied the funding was not included. Representative Tolson asked what was the procedure to eradicate pseudorabies. Dr. Mixson replied pseudorabies is eradicated through vaccination and movement of the herd. Dr. Mixson replied it is a virus and not rabies. Representative Allen asked how does pseudorabies spread. Dr. Mixson replied it spreads through movement of a herd and by contact.

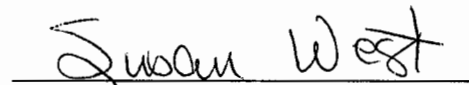
House Bill 1423 *Oregon Inlet Recommendations*

Representative Joni Bowie, sponsor, explained the bill (see Attachment E). She noted the bill was a result of the need to continue the Legislative Research Commission's Oregon Inlet Stabilization Study Commission. She further commented about the special provision that would allow the Wanchese Seafood Park to oversee the project. Representative Baker asked if the identical Senate bill has made any progress. Representative Bowie replied Senator Lee had spoke before the Senate Appropriations Sub-Committee on Natural and Economic Resources. Representative Owens noted the Wanchese Seafood Park had collected data for over 20 years. Representative Bowie responded the members of the Study Commission have the same data as well as the expertise to make the right decision. Representative Mitchell commented about the situation with the Oregon Inlet and what the State is faced with. Representative Bowie noted the Study Commission has equal representation which will lead to make the right decision. Representative Baker noted there are only two businesses that are involved in seafood processing at the Wanchese Seafood Park.

The meeting adjourned at 9:40 a.m.

Respectfully submitted,


Rex Baker
Co-Chair


Susan West
Clerk

**House Appropriations Sub-Committee on
Natural and Economic Resources**

Thursday, July 2, 1998

9:00 a.m.

AGENDA

I. Introductions

II. Review of Bills

House Bill 1423

Oregon Inlet Recommendations
Representative Joanne Bowie

House Bill 1650

Food Safety Program Funds
Representative Jim Carpenter

House Bill 1651

Animal Waste Testing Funds
Representative Jim Carpenter

House Bill 1652

Multiflora Rose Control Funds
Representative Jim Carpenter

House Bill 1653

Pseudorabies Eradication Funds
Representative Jim Carpenter

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 2, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS

Bruce Williams	NCDACCS
Stella Altrici	OSBM
Johnny Gray	"
Denny McHale	Commerce/ITS
Bill Dickerson	NCDACCS
Don Eaddy	NCDACCS
M. A. Majors	NCDACCS
Wally Scerry	NCDACCS
Molly Diggs	NC Sierra Club
Laura Delw	DENR
Jan McLanahan	DENR
Charker	Bone & Assoc.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1650

Short Title: Food Safety Program Funds.

(Public)

Sponsors: Representatives Carpenter, Brown; Mosley and Tolson.

Referred to: Appropriations.

May 28, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR FOOD SAFETY.
3 The General Assembly of North Carolina enacts:
4 Section 1. There is appropriated from the General Fund to the
5 Department of Agriculture and Consumer Services the sum of two hundred forty-
6 nine thousand one hundred sixty-eight dollars (\$249,168) for the 1998-99 fiscal year
7 for expansion of the Department's food safety inspection and testing programs.
8 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1651

Short Title: Animal Waste Testing Funds.

(Public)

Sponsors: Representatives Carpenter, Brown; Hackney and Tolson.

Referred to: Appropriations.

May 28, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR THE REQUIRED TESTING OF
3 ANIMAL WASTE IN ORDER TO PROTECT WATER QUALITY.
4 The General Assembly of North Carolina enacts:
5 Section 1. There is appropriated from the General Fund to the
6 Department of Agriculture and Consumer Services the sum of four hundred sixteen
7 thousand two hundred sixty-eight dollars (\$416,268) for the 1998-99 fiscal year for
8 testing of animal waste as required by G.S. 143-215.10C(e) in order to protect water
9 quality.
10 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1652

Short Title: Multiflora Rose Control Funds.

(Public)

Sponsors: Representatives Carpenter, Brown; Kiser and Tolson.

Referred to: Appropriations.

May 28, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR MULTIFLORA ROSE CONTROL.
3 The General Assembly of North Carolina enacts:
4 Section 1. There is appropriated from the General Fund to the
5 Department of Agriculture and Consumer Services the sum of one hundred ninety-
6 nine thousand twelve dollars (\$199,012) for the 1998-99 fiscal year for cost-sharing
7 funds to enable counties to control the multiflora rose.
8 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1653

Short Title: Pseudorabies Eradication Funds.

(Public)

Sponsors: Representatives Carpenter, Brown; and Tolson.

Referred to: Appropriations.

May 28, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS FOR THE ERADICATION OF
3 PSEUDORABIES.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to the
6 Department of Agriculture and Consumer Services the sum of one hundred fifty
7 thousand dollars (\$150,000) for the 1998-99 fiscal year for laboratory supplies for
8 increased testing of swine for pseudorabies in order to meet national swine health
9 standards.

10 Section 2. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1423*

Short Title: Oregon Inlet Recommendations.

(Public)

Sponsors: Representatives Bowie; Owens and Preston.

Referred to: Appropriations.

May 25, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPLEMENT RECOMMENDATIONS CONCERNING THE
3 OREGON INLET.

4 The General Assembly of North Carolina enacts:

5 PART I. SAND STUDY APPROPRIATION.

6 Section 1. There is appropriated from the General Fund to the
7 Department of Environment and Natural Resources the sum of one hundred
8 thousand dollars (\$100,000) for the 1998-99 fiscal year to fund the Shoreline
9 Monitoring Program operated by the United States Army Corps of Engineers
10 including six miles north of the Oregon Inlet to six miles south of the Oregon Inlet
11 and within the inlet itself for the five months of May through September 1998.

12 PART II. OREGON INLET STUDY CONTINUED.

13 Section 2. (a) Section 32.22 of S.L. 1997-443 is repealed.

14 (b) There is created the Oregon Inlet Stabilization Study Commission,
15 an independent study commission, to continue the investigations undertaken by the
16 Legislative Research Commission's Oregon Inlet Stabilization Study Committee
17 during the 1997-98 interim as authorized by Section 32.22 of S.L. 1997-443.

18 The membership and chairmanship of the Study Commission shall be the
19 same as that of the former Study Committee. Vacancies shall be filled by the person
20 who made the initial appointment. Members of the Commission shall receive
21 subsistence and travel allowances in accordance with G.S. 120-3.1 or G.S. 138-5, as
22 appropriate.

23 The Study Commission may hold hearings to receive public input on the
24 potential benefits and costs to the State of stabilizing the inlet and consider

1 alternative procedures and actions for the stabilization of the inlet along with the
2 environmental, economic, governmental, and cultural costs and benefits that may
3 result from the stabilization.

4 In analyzing the benefits and costs of stabilizing the Oregon Inlet, the
5 Study Commission may employ the expertise of the Departments of Environment and
6 Natural Resources, Transportation, and Justice and may solicit the assistance of the
7 United States Army Corps of Engineers and any other federal or State agencies that
8 might assist the study.

9 Upon approval of the Legislative Services Commission, the Legislative
10 Services Officer shall assign appropriate professional staff from the Legislative
11 Services Office of the General Assembly to assist with the study. The House of
12 Representatives' and the Senate's Supervisors of Clerks shall assign clerical staff to
13 the Commission, upon the direction of the Legislative Services Commission. The
14 Commission may meet in the Legislative Building or the Legislative Office Building
15 upon the approval of the Legislative Services Commission.

16 The Study Commission may consider any of the following:

- 17 (1) Continuation of the study beyond the current biennium until the
18 issues surrounding the stabilization of the Oregon Inlet are finally
19 resolved.
- 20 (2) Additional detailed studies of the benefits and costs of stabilizing
21 the Oregon Inlet including a long-range plan for the stabilization
22 of the inlet and a projection for the State's future costs of
23 participation in that stabilization.
- 24 (3) Necessary statutory changes needed to implement any planned
25 inlet stabilization.
- 26 (4) Alternatives to the stabilization of the Oregon Inlet.
- 27 (5) Funding sources for any stabilization projects or studies.

28 The Commission shall submit an interim or final report with any
29 recommendations to the 1999 Session of the General Assembly prior to the
30 adjournment of that session. The Commission may meet during the 1999 Session of
31 the General Assembly at any time when neither the House of Representatives nor the
32 Senate are in session.

33 The Commission shall terminate upon the issuance of its final report.

34 Section 3. There is appropriated from the General Fund to the General
35 Assembly the sum of three hundred thousand dollars (\$300,000) for the 1998-99 fiscal
36 year to be allocated by the Legislative Services Commission for the use of the Oregon
37 Inlet Stabilization Study Commission authorized by Section 2 of this act. Any funds
38 remaining unexpended at the end of the fiscal year shall remain available for the
39 purpose designated in this section.

40 PART III. DESIGNATION OF LEAD STATE AGENCY.

41 Section 4. The Department of Environment and Natural Resources is
42 designated as the lead State agency for monitoring, studying, analyzing, and making
43 recommendations for the State on the stabilization of the Oregon Inlet. The

1 Department shall carry out all duties associated with this designation using funds
2 already appropriated to the Department.

3 Section 5. G.S. 143B-279.2 reads as rewritten:

4 "**§ 143B-279.2. Department of Environment and Natural Resources -- duties.**

5 It shall be the duty of the Department:

6 (1) To provide for the protection of the environment;

7 (1a) To administer the State Outer Continental Shelf (OCS) Task
8 Force and coordinate State participation activities in the federal
9 outer continental shelf resource recovery programs as provided
10 under the OCS Lands Act Amendments of 1978 (43 USC §§ 1801
11 et seq.) and the OCS Lands Act Amendments of 1986 (43 USC §§
12 1331 et seq.).

13 (1b) To provide for the protection of the environment and public health
14 through the regulation of solid waste and hazardous waste
15 management and the administration of environmental health
16 programs.

17 (2) Repealed by Session Laws 1997-443, s. 11A.5.

18 (2a) To provide and keep a museum or collection of the natural history
19 of the State and to maintain the North Carolina Biological Survey;
20 and

21 (3) To provide for the management of the State's natural resources.

22 (4) To monitor, study, analyze, and make recommendations for the
23 State on the stabilization of the Oregon Inlet."

24 PART IV. EFFECTIVE DATE.

25 Section 6. This act becomes effective July 1, 1998.

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES

JULY 7, 1998

The House Appropriations Subcommittee on Natural and Economic Resources met at 8:30 a.m. on July 7, 1998 in Room 605 in the Legislative Office Building.

Representatives Jim Carpenter presided and the following members were present: Representatives Mitchell and Baker, Co-Chairs; Representatives Allen, Culp, Fox, Hall H. Hunter, Owens, Tolson and Weatherly. Visitor registration sheet is attached and made part of the minutes.

Representative Carpenter asked staff to explain the Attachment 1 - Governor's Recommended Reductions. Jennifer Herrera explained the following:

Page 14 - Department of Agriculture and Consumer Services

Page 15 - Department of Commerce

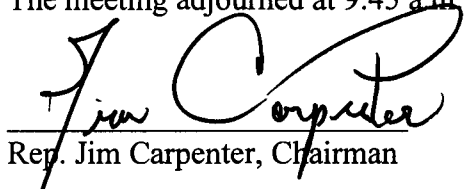
Page 16 - NC Biotechnology Center

Pages 17 - 19 - Department of Environment and Natural Resources

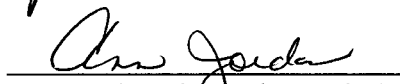
Rep. Mitchell made a motion to accept the Governor's cuts and put \$2M into the budget. Motion carried.

Rep. Carpenter turned the meeting over to Mark Trogden to explain Attachments 2 and 3. On the non-recurring item, Rep. Mitchell asked Mark to summarize what was in the House Report last year. Rep. Hall asked that staff to flag Item 3 - Animal Waste, Soil and Plant Testing to find out if it has been effective. Rep. Allen asked staff to add to column showing the % recommended by the Senate. Rep. Mitchell wanted to flag Item 4 - Farmland Preservation Trust Fund for staff to check out. Members had staff explain several additional items through page 5.

The meeting adjourned at 9:45 a.m.



Rep. Jim Carpenter, Chairman



Ann Jordan, Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 7, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

Governor's Recommended Reductions

**House Appropriations Subcommittee
Natural and Economic Resources**

July 7, 1998

Department of Agriculture and Consumer Services
Operating Efficiencies

1998-99

Receipt Adjustments

The Department of Agriculture and Consumer Services has reviewed the status of receipts in the various operating funds within the department. Adjustments have been made to bring the different receipts into a more realistic alignment with the amounts that are anticipated to be received.

Requirements	\$ -
Receipts	<u>210,600</u>
Appropriation	\$ (210,600)
Subtotal - Department of Agriculture and Consumer Services	\$ (210,600)

Department of Commerce
Operating Efficiencies

1998-99

1. NC Alliance for Competitive Technologies (NC ACTs)
Efficiencies are realized through available salary reserve created by personnel salary adjustments. \$ (24,356)
 2. Travel and Tourism Printing
The printing of the North Carolina Travel Guide has been privatized to a contractor who sells advertisements to North Carolina tourism businesses to support its production. General Funds are no longer needed for this purpose. (100,000)
 3. Industrial Commission Operating Accounts
The Industrial Commission will contribute to the department's budget reductions by continuing their work with fewer resources. Various operating accounts have been reduced to reflect this including one position. (93,322)
Number of Positions (1.0)
- Subtotal - Department of Commerce \$ (217,678)
Number of Positions (1.0)

Microelectronics Center of North Carolina (MCNC)
Operating Efficiencies

1998-99

1. Administrative Functions
A 1.5% reduction was taken from the Microelectronics Center's administrative budget excluding grants. Fiscal year 1998-99 is the last fiscal year in which MCNC will receive state funds. \$ (30,750)
- Subtotal - Microelectronics Center of North Carolina (MCNC) \$ (30,750)

North Carolina Biotechnology Center (NCBC)
Operating Efficiencies

	<u>1998-99</u>
1. Administrative Functions	
A 1.5% reduction was taken from the Biotechnology Center's administrative budget excluding grants.	\$ (25,483)
Subtotal - North Carolina Biotechnology Center (NCBC)	\$ (25,483)

Rural Economic Development Center (REDC)
Operating Efficiencies

	<u>1998-99</u>
1. Administrative Functions	
A 1.5% reduction was taken from the Rural Economic Development Center's administrative budget excluding grants.	\$ (12,662)
Subtotal - Rural Economic Development Center (REDC)	\$ (12,662)

State Information Processing Services (SIPS)
Operating Efficiencies

	<u>1998-99</u>
1. Information Resources Management Positions	
Four Information Resources Management positions will be moved from appropriation to receipt support. The rate structure will reflect this change.	
Requirements	\$ -
Receipts	<u>263,791</u>
Appropriation	\$ (263,791)
Subtotal - State Information Processing Services (SIPS)	
Requirements	\$ -
Receipts	<u>263,791</u>
Appropriation	\$ (263,791)

Department of Environment and Natural Resources
Operating Efficiencies

1998-99

1. **Executive Offices**
The Executive Offices will eliminate a vacant position that is no longer utilized as a result of reassignment of duties. \$ (82,134)
Number of Positions (1.0)
2. **General Services**
The division is reducing salary reserve in a position that was recently vacated by retirement. (10,000)
3. **Controller's Office**
The Controller's Office has reallocated positions to address findings by the State Auditors, which as a result, has created salary reserve. (5,053)
4. **Forest Resources**
The Division will implement efficiencies, such as the conversion from using SIPS mainframe applications to the Division of Forest Resources Wide Area Network, which will decrease line charges, use of computer CD orthophota Quads rather than aerial photography, use increased computer technology, thereby reducing the need for temporary services, increase efforts to allow employees to take compensatory time off, rather than pay for all overtime, modify fire readiness stand-by schedules, and change operational procedures to improve efficiencies. (311,034)
5. **Parks**
The Division of Parks and Recreation increased the fees charged in the parks and recreation areas last year. The division will adjust the level of receipts to reflect this change, and reduce state appropriations by the same amount. (100,000)
6. **North Carolina Zoological Park**
The North Carolina Zoo will adjust the schedule for the replacement of equipment and motor vehicles and reduce the state appropriations in the operating budget. This will not adversely affect the operation of the zoo. (133,079)

Environment and Natural Resources - Continued

1998-99

7. **Soil and Water Conservation**
The General Assembly appropriated funds to the division to assist farmers with the installation of Best Management practices for water quality in meeting the requirements of the .0200 animal waste rules. The deadline for meeting these rules was December 1, 1997. While there remains farmers to assist, the division feels that most of these will be completed by June 30, 1998. As the deadline has passed and the original need for these positions has been addressed, the division will eliminate these six positions.
Number of Positions
\$ (185,445)
(5.50)
8. **Marine Fisheries**
The division has identified efficiencies that can be made through the use of automation, reduction in supplies, postage, printing, and inventory.
(130,000)
9. **Museum of Natural Sciences**
The museum has implemented new purchasing procedures which should result in a savings in supplies through bulk purchasing.
(39,513)
10. **Environmental Health**
The Division has identified efficiencies in equipment replacement schedules, reduce salary reserve and funds for a completed study.
Number of Positions
(72,210)
(0.50)
11. **Pollution Prevention**
The Division of Pollution Prevention provides a total of \$75,000 in grant funds to business and industry operations to demonstrate innovative pollution technologies. These funds support an average of three to five projects per year. The division will focus on dissemination of information about successful applications of these technologies. This reduction will result in one to two fewer grants being awarded annually.
(24,362)
12. **Coastal Resources**
The Division of Coastal Resources will reduce travel, supplies, equipment, printing, and postage through use of automation and a reduction in conference attendance.
(30,004)

1998-99

13.	Waste Management	The division will abolish a Computing Consultant II position that currently provides programming duties for the division. The division will contract using federal funding when appropriate and needed to accomplish these tasks.	\$ (45,095)
	Number of Positions		(1.0)
14.	Land Resources	The division will extend the replacement schedule on equipment and reduce travel, postage, supplies, and inventories.	(42,861)
15.	Air Quality	The division will reduce expenditures through efficiencies in travel, supplies, and inventories.	(14,892)
16.	Regional Offices	The DENR Washington Office will reduce funds that supported the Department of Commerce when they were in this office. Commerce has since moved its activities to an office in Greenville. Therefore, these funds can be eliminated.	(31,416)
	Subtotal for Department of Environment and Natural Resources		\$ (1,257,098)
	Number of Positions		(8.0)

1997 House NER Subcommittee Nonrecurring Items at Final Funding Levels		
Dept	Nonrecurring Items	FY 1997-98 Actual Appropriation
AG	Small Family Farms	50,000
COM	NC Association of CDCs	200,000
COM	Institute for Minority Economic Development	1,000,000
COM	Industrial Recruitment Competitive Fund	1,000,000
COM	Industrial Commission - temporary positions	100,000
COM	Utility Account	2,000,000
COM	Special Olympics	600,000
COM	T&T Advertising Funds	1,000,000
COM	T&T International Marketing	1,000,000
COM	1-800-VISIT-NC	250,000
COM	Rural Tourism Development Funds	300,000
COM	Land Loss Prevention Project	350,000
COM	Coalition of Farm and Rural Families	250,000
COM	Minority Support Center	375,000
COM	Technological Development Authority	3,000,000
COM	World Trade Center NC	300,000
COM	Center for Community Self-Help	5,000,000
COM	Biotechnology Center - ED investment	7,500,000
COM	Biotechnology Center - HMU program	-
COM	Supplemental Funding	3,150,000
COM	Yadkin Pee Dee Lakes	100,000
COM	EDIN System	50,000
DENR	Environmental Education Grant Fund	200,000
DENR	District 12 Helicopter Funds	282,560
DENR	Ag Cost Share Program - Animal waste	2,000,000
DENR	Wastewater System Operator Training	474,795
DENR	Food Sanitation Training funds	100,000
DENR	Maintenance of Existing Water Quality Program	1,000,000
DENR	Forestry - Communications equipment	150,000
DENR	Forestry - Equipment Funds	500,000
DENR	Beaver Control Program	450,000
DENR	Core Sound Mapping	100,000
DENR	Soil and Water travel	50,000
DENR	Parks & Recreation -- EELE supplies	30,000
GOV	Housing Trust Fund	5,000,000
	Total	37,912,355

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

		Governor's			Senate		
		Recommendations			Final Budget		
Departments/Agencies		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
Housing Finance Agency							
1	Housing Trust Fund	-	2,000,000			2,000,000	
	Sub-Total HFA	-	2,000,000		-	2,000,000	
Department of Agriculture and Consumer Services							
2	Automated Information and Technical Support	306,628		3.0	151,522	155,106	3.0
3	Animal Waste, Soil and Plant Testing				271,668	144,600	4.0
4	Farmland Preservation Trust Fund					500,000	
5	Department Wide - Receipts Adjustments	(210,600)			(210,600)		
6	Albemarle Farmers' Market					50,000	
7	Jacksonville-Onslow Farmers' Market					50,000	
8	Seafood and Aquaculture Marketing	300,000				300,000	
9	Goodness Grows in NC					200,000	
10	Structural Pest Control Program Improvements				262,650	80,350	7.0
	Sub-Total Ag	396,028	-	3.0	475,240	1,480,056	14.0
Department of Labor							
11	Office Equipment for Move to Old Revenue Building	-	-		-	190,000	
	Sub-Total Labor	-	-		-	190,000	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

		Governor's			Senate		
		Recommendations			Final Budget		
Departments/Agencies		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
Department of Environment and Natural Resources							
12	Controller's Office - Reduce Salary Reserve	(5,053)			(5,053)		
13	Executive Offices - Eliminate Vacant Position	(82,134)		(1.0)	(82,134)		(1.0)
14	Conservation Tax Credit Program and Grant Funds	194,677	113,500	2.0	149,990	206,500	1.0
15	General Services - Reduce Salary Reserve	(10,000)			(10,000)		
16	Regional Offices - Reduce Operating Funds	(31,416)			(31,416)		
17	Forestry - Improve Efficiency and Computer Technology	(311,034)			(311,034)		
18	Forestry - Insurance for CL-215		160,000			160,000	
19	Forestry - District 12 Helicopter Funds				167,860		2.0
20	DMF - Reduce Operating Support	(130,000)			(130,000)		
21	DMF - License Administration Funds	246,088		6.0	246,088		6.0
22	DMF - Staff Support for Appeals Review	29,738	3,800	1.0	29,738	3,800	1.0
23	DMF - Fisheries Management Plans	1,604,496		26.0	540,158	142,500	10.0
24	DMF - Coastal Habitat Protection Plans	263,304		5.0	160,170	15,300	3.0
25	DMF - Information Technology Funds	1,142,278	452,453	2.0	72,223	1,492,508	2.0
26	Museum - Reduce Supplies	(39,513)			(39,513)		
27	Museum - Additional Funds for Grassroots Science					3,250,000	
28	Zoo - Adjust Equipment/Vehicle Replacement Schedule	(133,079)			(133,079)		
29	Environmental Education - Grant Funds		350,000			200,000	
30	Parks - Increase Receipts	(100,000)			(100,000)		
31	Parks - Expand Natural Heritage Program	216,737	26,300	4.5	216,737	26,300	4.5
32	Parks - Adopt-a-Trail Program					100,000	
33	DSWC -Technical Assistance for Animal Waste	(185,445)		(5.5)	(185,445)		(5.5)
34	DSWC - Ag Cost Share Program		3,500,000			1,000,000	
35	DSWC - Soil and Water District Travel Funds	150,000				50,000	
36	Air Quality - Reduce Operating Support	(14,892)			(14,892)		
37	Coastal - Reduce Operating Support	(30,004)			(30,004)		

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

		Governor's			Senate		
		Recommendations			Final Budget		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
38	Coastal - Chevron/OCS Response	137,559	260,000	2.0		367,023	1.0
39	DEH - Reduce Staff and Operating Support	(72,210)		(0.5)	(72,210)		(0.5)
40	DEH - Environmental Health Specialists Training		100,000			100,000	
41	DEH - Federal Water Supply Assistance Match		2,571,880			2,571,880	
42	Land Resources - Reduce Operating Support	(42,861)			(42,861)		
43	Land Resources - Sedimentation/Erosion Control	1,789,448	360,282	30.0	338,570	24,000	6.0
44	PPEA - Reduce Pollution Prevention Grants	(24,362)			(24,362)		
45	Waste Management - Eliminate Position	(45,095)		(1.0)	(45,095)		(1.0)
46	DWQ - Operating Support	250,533	749,467		250,533		
47	DWQ - Basinwide Data Management Initiative	201,000	1,561,830	1.0		500,000	
48	DWQ - Increase Compliance/Reduce Spills	780,531	60,000	15.0	332,280	28,000	7.0
49	DWQ - Groundwater Pollution Prevention & Control	721,479	256,587	12.0	721,479	256,587	12.0
50	DWQ - Neuse/Tar-Pam Rapid Response Teams	544,634	226,774	8.0	544,634	226,774	8.0
51	DWQ - Water Quality Monitoring	2,068,670	1,827,296	10.0	164,080	2,872,980	4.0
52	DWQ - Federal Wastewater Assistance Match		4,860,532			4,860,532	
53	DWR - Real Time Stream Gauge Data	10,000	170,000		10,000	170,000	
54	DWR - Groundwater Resource Management	850,000	15,000	5.0	414,724	386,598	4.0
55	Partnership for the Sounds	150,000	150,000		150,000	250,000	
56	Alternative Animal Waste Technology-NCSU		750,000			750,000	
57	Neuse Modeling and Monitoring Program		880,000			720,000	
58	Upper Neuse River Basin Association					300,000	
59	New River Monitoring Funds					50,000	
60	Museum of Life & Science (BioQuest)		2,500,000			500,000	
61	LLRW - Facility Siting Assistance Fund					100,000	
62	County Recreational Building					50,000	
63	Reduce Contracts and Operating Support - LLRW				(500,000)		
64	WRC - Beaver Control Program					500,000	
	Environmental Education - River Basin Education	85,429	32,500	1.0			

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

Governor's				Senate		
Recommendations				Final Budget		
Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
DSWC - Water Basin Positions	107,148	86,500	2.0			
DWQ - Basinwide Enhancement & Implementation	534,957	23,669	10.0			
DEH - Recreational Water Quality Monitoring	622,262	27,000	7.0			
DWR - Stream Watch/Project Wet	45,000		1.0			
Pfisteria Research		120,000				
Forestry - Water Quality Foresters	344,286	71,200	7.0			
DSWC - Ag Cost Share Technical Assistance	1,000,000					
DSWC - Computer Funding	36,000	25,000				
DEH - Safe Wells	1,514,751	42,000	8.0			
DEH - On-site Wastewater Expansion	549,954	7,240	8.0			
DMF - Enhance Maintenance Section	195,058	17,250	3.0			
DMF - Administrative Support	110,380		4.0			
Parks - Parks Biologists	208,100	37,000	4.0			
Parks - Staff and Lifeguards - Falls and Jordan Lakes	224,296	16,365	2.0			
Natural Resources Marketing		750,000				
Parks - Jocassee Gorges Operations	183,935	162,000	5.0			
Improve Customer Service		50,000				
DEH - Improve Child Care Sanitation Services	570,434	19,500	3.0			
Sub-Total DENR	16,426,064	23,392,925	186.5	2,752,166	22,231,282	63.5
Department of Commerce						
65 Industrial Recruitment Competitive Fund		5,000,000			3,000,000	
66 Bus/Industry Marketing and Advertising Combined					500,000	
67 DCA - Upper Coastal Plain COG					150,000	
68 DCA - Land Use Planning					250,000	
69 Industrial Commission - Reduce Operating Support	(93,322)		(1.0)	(93,322)		(1.0)
70 Industrial Commission - Temporary Positions		100,000			100,000	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

		Governor's			Senate		
		Recommendations			Final Budget		
Departments/Agencies		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
71	Industrial Development - Utility Account		14,000,000			3,000,000	
72	NC ACTS - Reduce Director's Salary	(24,356)			(24,356)		
73	Year of the Mountain Planning Initiative					300,000	
74	Special Olympics 1999 World Summer Games		3,400,000			3,000,000	
75	Regional Economic Development Commissions	350,000			350,000		
76	North Carolina Progress Board		400,000			400,000	
77	Institute for Aeronautical Technology		5,000,000			4,000,000	
78	Transfer Boxing Commission				202,770		3.0
79	Travel - Reduce Printing	(100,000)			(100,000)		
80	Travel - Advertising & Marketing Funds Combined					2,200,000	
81	Travel - Rural Tourism Grant Funds					300,000	
82	Wanchese - Oregon Inlet Project				339,000	11,000	2.0
	NC Business Court	138,188	135,000		Funded in Senate JPS		
	Film Office Advertising and Promotion	77,000	400,000	1.0			
	International Marketing Efforts - Travel & Tourism		1,000,000				
	General Advertising/Marketing - Travel & Tourism		1,000,000				
	US Open - Travel & Tourism		1,000,000				
	Bus/Industry-Marketing Missions/Trade Shows		250,000				
	Bus/Industry-General Advertising/Marketing		500,000				
	Certified Economic Development Training		25,000				
	Industrial Dev.-Building Renovation/Utility Infrastructure		18,000,000				
	State Development Zones		2,000,000				
	Global Transpark Marketing		150,000				
	Sub-Total Commerce	347,510	52,360,000	-	674,092	17,211,000	4.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

		Governor's			Senate		
		Recommendations			Final Budget		
Departments/Agencies		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
State Aid to Non-State Entities							
83	NC Coalition of Farm and Rural Families	250,000				250,000	
84	NC Global Center		250,000			500,000	
85	Charlotte/Mecklenburg Development Corporation					1,000,000	
86	Stanly/Montgomery County Airport Authorities					250,000	
87	NC Community Development Initiative					325,000	
88	Southern Piedmont Transit Authority					500,000	
89	Land Loss Prevention Project	350,000				350,000	
90	Town of Chadbourn - Emergency Repairs					500,000	
91	Yadkin/Pee Dee Lakes Project					150,000	
92	Minority Support Center	375,000				375,000	
93	Center for Community Self-Help					1,000,000	
94	Technological Development Authority					3,500,000	
95	4-H/Eastern Ag Livestock Arena		600,000			600,000	
96	NC Institute of Minority Economic Development	1,000,000				1,000,000	
97	William States Lee Leadership Institute		3,000,000			2,000,000	
98	Duplin Multi-Purpose Center Funds					250,000	
99	Jones Economic Development Funds					200,000	
	World Trade Center		300,000				
	Sub-Total State Aid	1,975,000	4,150,000			12,750,000	
MCNC							
	Administrative Reduction	(30,750)					
	Temporary Operating Support		2,030,750				
100	Increase and Adjust Final Year of State Funding				(2,500,000)	4,500,000	
	Sub-Total MCNC	(30,750)	2,030,750		(2,500,000)	4,500,000	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

		Governor's			Senate		
		Recommendations			Final Budget		
Departments/Agencies		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
NC Biotechnology Center							
101	Administrative Reduction	(25,483)			(25,483)		
102	NC Bioscience Investment Fund, L.L.C					2,500,000	
	Sub-Total Biotech	(25,483)			(25,483)	2,500,000	
REDC							
103	Administrative Reduction	(12,662)			(12,662)		
104	Supplemental Funding Program	2,825,000	1,000,000			3,565,000	
105	Capacity Grants Program	200,000				200,000	
106	Administration	125,000				60,000	
107	NC Association of CDC's	200,000				200,000	
	Sub-Total REDC	3,337,338	1,000,000		(12,662)	4,025,000	
SIPS							
108	IRM Positions Shift to Receipts	(263,791)		(4.0)	(271,530)		(4.0)
109	Continue and Expand NC Information Highway		6,143,160			6,143,160	
	Sub-Total SIPS	(263,791)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)
GRAND TOTAL - NER		22,161,916	91,076,835	185.5	1,091,823	73,030,498	77.5

Minutes

House Appropriations Sub-Committee on

Natural and Economic Resources

July 8, 1998 - 8:30 a.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met on Wednesday, July 8, 1998 at 8:30 a.m. in Room 605 of the Legislative Office Building. Representative Frank Mitchell, Co-Chair, called the meeting to order at 8:30 a.m. Members present were Representatives Mitchell, Baker, Owens, Allen, Culp Fox, Hall, Tolson, and Weatherly.

Stan Adams, Director of the Division of Forest Resources, gave an update on the success of the CL-215 amphibious air tanker which is being used in Florida to fight the forest fires (see Attachment A). Representative Fox asked if there are other aircraft similar to the CL-215. Mr. Adams replied there isn't and North Carolina has the only one in the U.S. Representative Hall asked about the role of the helicopters that were sent from North Carolina. Mr. Adams explained the helicopters are using buckets to scoop water but their use is limited. He further noted that Florida also has contracted with Canada Air for another air tanker. Representative Allen asked if the CL-215 uses sea water. Mr. Adams replied the plane could use sea water but it is preferable not to use.

Jennifer Herrera, Mona Moon, Mark Trogon and Jennifer Hoffmann of the Fiscal Research Division reviewed the proposed House recommendations for the 1998-99 budget. Recommended items from the Housing Finance Agency, the Department of Agriculture, the Department of Labor, the Department of Environment and Natural Resources, the Department of Commerce, State Aid to Non-State Entities, MCNC, the NC Biotechnology Center, SIPS, and the Rural Economic Development Center were noted (see Attachment C).

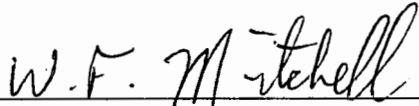
Representative Mitchell noted the proposed recommendations were a starting point for the Sub-Committee, not all items have been included, and changes can be made. Representative Owens asked what was the current total. Mr. Trogon replied \$13.5 million is not spent. Representative Owens noted the reduction in marketing funds for the Travel/Tourism Division (items 105, 106, 111, page 5) in the Department of Commerce was a concern. Representative Baker asked Representative Owens what would be his recommendation. Representative Owens replied he would like this item noted for consideration before a final decision is made. Representative Culp asked about the recommendation for the NC Biotechnology Center (items 142, page 7). Representative Mitchell replied this is an item to be negotiated when the conferees meet. Representative Hall asked about the funding for the Rural Economic Development Center (item 144, page 7). Representative Mitchell replied the funding that will be going to the

Rural Center is for water/sewer projects and the Fisheries Development Foundation. Representative Hall commented his wish to hear about the individual water/sewer projects the Rural Center will be involved with. Ms. Herrera noted that the non-profit organizations that receive state funding are required to submit reports to Governmental Operations which can be reviewed. Representative Owens noted his concern for the Partnership of the Sounds and the 4-H Livestock Building. Regarding the industrial recruitment competitive fund (item 89, page 4), Representative Allen asked staff to find out how neighboring states compare to North Carolina's funding. Representative Culp asked about increasing the funding for sedimentation/erosion control in the Division of Land Resources (item 46, page 3) which Representative Mitchell noted the item would be considered. Representative Hall asked how many COG's (Council of Government) are in the State and commented about their needs. Representative Owens noted \$50,000 was given to each COG for industrial recruitment in the 1997 budget. Representative Mitchell remarked it may be difficult this year for the COGs to receive the same amount of funding.

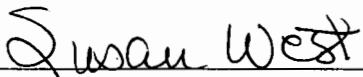
Representative Mitchell asked Dewey Botts of the Soil and Water Division in DENR to address the cost-share program that will fund innovative technologies for waste lagoon systems. Mr. Botts noted three different technologies that have approved to receive funding from the program. This would also help to close out old abandoned lagoons that are no longer being used. Representative Hall asked how many farms have gone out of business. Mr. Botts replied there are close to 800 old lagoons that are abandoned or out of business. Representative Hall asked how much is being contributed by the hog owners. Mr. Botts replied he didn't know and noted the program contracts with the landowner. Representative Weatherly asked if the technology that doesn't use a lagoon-type system does away with using a spray field. Mr. Botts replied that is correct. Representative Weatherly asked if there is an anaerobic process that will neutralize the effluent in the lagoon. Mr. Botts replied he wasn't sure but there are bio-additives that can neutralize and break down the solids in a lagoon. Representative Hall asked what is the cost of closing a lagoon. Mr. Botts replied the average cost-share can range from \$10,000 to \$15,000 for the old lagoons. Representative Hall asked the new technologies were transforming the waste into feed for animals. Mr. Botts replied the new technologies were doing that. Representative Hall noted the new technology would be a benefit to the farmer.

The meeting adjourned at 9:38 a.m.

Respectfully submitted,



Frank Mitchell
Co-Chair



Susan West
Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 8, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
JW Reed	OSBM
Shella Gortner	"
Johnny Gray	"
Phil Wilson	Commerce
LEZA AYCOCK	"
Bob Schipani	NOJCO
Doug Lassiter	NC Septic Tank Assoc
John Cameron	TDA
Linda Swall	DEH
Bob Slocum	NC Forestry association
Mike Callahan	Self-Help
Hilda Dunn	REDC
Patricia Yancy	LLPP
Shannon Szymczak	The Nature Conservancy - NC Chapt.
Kathleen Ummann	The Nature Conservancy
Stan Adams	EDNR
Steve Woodson	NC Farm Bureau Federation
SUSAN P COLE	Commerce
Denny McHenry	Commerce / Inf. Tech Services
Becky Brown	Labor
Debra Cope	"
Muriel Weaver	MCDACS
Wally B. Perry	"
LAURA DEVILO	DENR
JANE SMITH	DENR
RICHARD ROGERS	DENR
Charles Gardner	DENR
Dianne Beasley	" - Forestry
Mindy Branson	Capital Planning

7-7-98
3:00 pm

N. C. Division of Forest Resources Fire Fighting Efforts in Florida

CL-215 Amphibious Air Tanker

The CL-215 and accompanying lead plane were dispatched to Florida on Sunday, June 28, 1998 and are still in Florida assisting with initial attack and protecting structures. The aircraft has made a total of 93 drops (1,400 gallons) for a total of 131,000 gallons of fire retardant. It has been instrumental in saving several homes.

Personnel and Other Equipment

The Division has sent 250 professional fire fighters to Florida to assist, along with 16 tractor plow units and 3 single engine aircraft.

Most of the personnel and equipment (including the CL-215) were dispatched to Florida under the Southeastern States Forest Fire Compact. This reciprocal agreement allows for full reimbursement of out-of-pocket operating expenses and salaries. About 50 personnel were dispatched through the Interagency Agreement with the U.S. Forest Service.

Situation Summary

As of Tuesday afternoon, Florida is making good progress but still has large fires that are not contained and numerous small fires. Additionally, they are getting new starts every day e.g. 172 on July 3 and 47 on July 6.

Author: Joe Hogue at NRDFRCOP
Date: 7/7/98 4:21 PM
Priority: Normal
Receipt Requested
TO: Dianne Beasley
Subject: War Stories from Florida

CL-215 Stories from
Florida

----- Message Contents -----

Encouraging stories from fire ravaged Florida.

I thought you might be interested in this cute story from Deland Florida that Joe Hart the Fire Information Officer at Deland told me about.

He said, he talked to a lady who came to the Deland Airport with a batch of fresh baked cookies, she said, they were for the people who were flying that big yellow air plane that saved her house from burning up. She said, it took a while for her to find out who they were and where to find them but she was determined to thank them for saving her home.

Harry Sumner also told me something heart warming that happened to him while flying lead plane for the CL-215. He said, that they had been called in to cool down a fire approaching a mobile home and had made a couple of drops when he noticed a black smoke a short distance away so he flew to investigate while the CL-215 was picking up water. He said there was a fire just about to over take a home and the man who owned the house had given up and was running for his life and the fire fighters on the ground were pulling back as well. He radioed to the ground troops to get everyone clear and they would make a retardant drop. Needless to say they quickly cleared the area and Harry contacted the CL-215. The CL-215 was 30 seconds away and was returning for another drop when Harry redirected them over the home that was about to burn. The drop was perfect and knocked the fire almost totally out allowing the fire fighters on the ground to quickly extinguish the few remaining hot spots.

I wonder if the people that owned that home have baked a batch of cookies and are also looking for the people flying that big red & yellow plane?

**1997 House NER Subcommittee Nonrecurring Items
at Final Funding Levels**

Dept	Nonrecurring Items	FY 1997-98 Actual Appropriation	Senate Budget	
AG	Small Family Farms	50,000	-	
COM	NC Association of CDCs	200,000	200,000	
COM	Institute for Minority Economic Development	1,000,000	1,000,000	
COM	Industrial Recruitment Competitive Fund	1,000,000	3,000,000	
COM	Industrial Commission - temporary positions	100,000	100,000	
COM	Utility Account	2,000,000	3,000,000	
COM	Special Olympics	600,000	3,000,000	
COM	T&T Advertising Funds	1,000,000	total equals	
COM	T&T International Marketing	1,000,000	2,200,000	
COM	1-800-VISIT-NC	250,000	-	
COM	Rural Tourism Development Funds	300,000	300,000	
COM	Land Loss Prevention Project	350,000	350,000	
COM	Coalition of Farm and Rural Families	250,000	250,000	
COM	Minority Support Center	375,000	375,000	
COM	Technological Development Authority	3,000,000	3,500,000	
COM	World Trade Center NC	300,000	-	
COM	Center for Community Self-Help	5,000,000	1,000,000	
COM	Biotechnology Center - ED investment	7,500,000	2,500,000	
COM	Biotechnology Center - HMU program	-	-	
COM	Supplemental Funding	3,150,000	3,565,000	
COM	Yadkin Pee Dee Lakes	100,000	150,000	
COM	EDIN System	50,000	-	
DENR	Environmental Education Grant Fund	200,000	200,000	
DENR	District 12 Helicopter Funds	282,560	167,860	R
DENR	Ag Cost Share Program - Animal waste	2,000,000	1,000,000	
DENR	Wastewater System Operator Training	474,795	-	
DENR	Food Sanitation Training funds	100,000	100,000	
DENR	Maintenance of Existing Water Quality Program	1,000,000	250,533	R
DENR	Forestry - Communications equipment	150,000	-	
DENR	Forestry - Equipment Funds	500,000	-	
DENR	Beaver Control Program	450,000	500,000	
DENR	Core Sound Mapping	100,000	-	
DENR	Soil and Water travel	50,000	50,000	
DENR	Parks & Recreation -- EELE supplies	30,000	-	
GOV	Housing Trust Fund	5,000,000	2,000,000	
	Total	37,912,355	28,758,393	

Attachment B

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's Recommendations			Senate Final Budget			House Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Housing Finance Agency									
1	Housing Trust Fund	-	2,000,000			2,000,000			2,000,000	
	Sub-Total HFA	-	2,000,000		-	2,000,000				
	Department of Agriculture and Consumer Services									
2	Automated Information and Technical Support	306,628		3.0	151,522	155,106	3.0			
3	Animal Waste, Soil and Plant Testing				271,668	144,600	4.0	271,668	144,600	4.0
4	Farmland Preservation Trust Fund					500,000				
5	Department Wide - Receipts Adjustments	(210,600)			(210,600)			(210,600)		
6	Albemarle Farmers' Market					50,000				
7	Jacksonville-Onslow Farmers' Market					50,000				
8	Seafood and Aquaculture Marketing	300,000				300,000				
9	Goodness Grows in NC					200,000				
10	Structural Pest Control Program Improvements				262,650	80,350	7.0			
11	Small Family Farms								50,000	
12	Pseudorabies Eradication								150,000	
	Sub-Total Ag	396,028	-	3.0	475,240	1,480,056	14.0			
	Department of Labor									
13	Office Equipment for Move to Old Revenue Building	-	-		-	190,000			190,000	
14	Information Highway site								30,000	
	Sub-Total Labor	-	-		-	190,000				

Attachment C

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

Departments/Agencies	Governor's Recommendations			Senate Final Budget			House Recommendations		
	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
Department of Environment and Natural Resources									
15 Controller's Office - Reduce Salary Reserve	(5,053)			(5,053)			(5,053)		
16 Executive Offices - Eliminate Vacant Position	(82,134)		(1.0)	(82,134)		(1.0)	(82,134)		(1.0)
17 Conservation Tax Credit Program and Grant Funds	194,677	113,500	2.0	149,990	206,500	1.0			
18 General Services - Reduce Salary Reserve	(10,000)			(10,000)			(10,000)		
19 Regional Offices - Reduce Operating Funds	(31,416)			(31,416)			(31,416)		
20 Forestry - Improve Efficiency and Computer Technology	(311,034)			(311,034)			(311,034)		
21 Forestry - Insurance for CL-215		160,000			160,000			116,000	
22 Forestry - District 12 Helicopter Funds				167,860		2.0	167,860		2.0
23 DMF - Reduce Operating Support	(130,000)			(130,000)			(130,000)		
24 DMF - License Administration Funds	246,088		6.0	246,088		6.0	246,088		6.0
25 DMF - Staff Support for Appeals Review	29,738	3,800	1.0	29,738	3,800	1.0			
26 DMF - Fisheries Management Plans	1,604,496		26.0	540,158	142,500	10.0	540,158	142,500	10.0
27 DMF - Coastal Habitat Protection Plans	263,304		5.0	160,170	15,300	3.0	160,170	15,300	3.0
28 DMF - Information Technology Funds	1,142,278	452,453	2.0	72,223	1,492,508	2.0		1,000,000	
29 Museum - Reduce Supplies	(39,513)			(39,513)			(39,513)		
30 Museum - Additional Funds for Grassroots Science					3,250,000				
31 Zoo - Adjust Equipment/Vehicle Replacement Schedule	(133,079)			(133,079)			(133,079)		
32 Environmental Education - Grant Funds		350,000			200,000			100,000	
33 Parks - Increase Receipts	(100,000)			(100,000)			(100,000)		
34 Parks - Expand Natural Heritage Program	216,737	26,300	4.5	216,737	26,300	4.5			
35 Parks - Adopt-a-Trail Program					100,000				
36 DSWC - Technical Assistance for Animal Waste	(185,445)		(5.5)	(185,445)		(5.5)	(185,445)		(5.5)
37 DSWC - Ag Cost Share Program		3,500,000			1,000,000				
38 DSWC - Soil and Water District Travel Funds	150,000				50,000			50,000	
39 Air Quality - Reduce Operating Support	(14,892)			(14,892)			(14,892)		
40 Coastal - Reduce Operating Support	(30,004)			(30,004)			(30,004)		

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
41	Coastal - Chevron/OCS Response	137,559	260,000	2.0		367,023	1.0	0	0	
42	DEH - Reduce Staff and Operating Support	(72,210)		(0.5)	(72,210)		(0.5)	(72,210)		(0.5)
43	DEH - Environmental Health Specialists Training		100,000			100,000			100,000	
44	DEH - Federal Water Supply Assistance Match		2,571,880			2,571,880			special provision	
45	Land Resources - Reduce Operating Support	(42,861)			(42,861)			(42,861)		
46	Land Resources - Sedimentation/Erosion Control	1,789,448	360,282	30.0	338,570	24,000	6.0			
47	PPEA - Reduce Pollution Prevention Grants	(24,362)			(24,362)			(24,362)		
48	Waste Management - Eliminate Position	(45,095)		(1.0)	(45,095)		(1.0)	(45,095)		(1.0)
49	DWQ - Operating Support	250,533	749,467		250,533			0	0	
50	DWQ - Basinwide Data Management Initiative	201,000	1,561,830	1.0		500,000		0	0	
51	DWQ - Increase Compliance/Reduce Spills	780,531	60,000	15.0	332,280	28,000	7.0			
52	DWQ - Groundwater Pollution Prevention & Control	721,479	256,587	12.0	721,479	256,587	12.0	0	0	
53	DWQ - Neuse/Tar-Pam Rapid Response Teams	544,634	226,774	8.0	544,634	226,774	8.0			
54	DWQ - Water Quality Monitoring	2,068,670	1,827,296	10.0	164,080	2,872,980	4.0			
55	DWQ - Federal Wastewater Assistance Match		4,860,532			4,860,532			special provision	
56	DWR - Real Time Stream Gauge Data	10,000	170,000		10,000	170,000				
57	DWR - Groundwater Resource Management	850,000	15,000	5.0	414,724	386,598	4.0			
58	Partnership for the Sounds	150,000	150,000		150,000	250,000				
59	Alternative Animal Waste Technology-NCSU		750,000			750,000				
60	Neuse Modeling and Monitoring Program		880,000			720,000		0	0	
61	Upper Neuse River Basin Association					300,000				
62	New River Monitoring Funds					50,000				
63	Museum of Life & Science (BioQuest)		2,500,000			500,000				
64	LLRW - Facility Siting Assistance Fund					100,000				
65	County Recreational Building					50,000				
66	Reduce Contracts and Operating Support - LLRW				(500,000)					
67	WRC - Beaver Control Program					500,000			500,000	
68	Environmental Education - River Basin Education	85,429	32,500	1.0						

**BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES**

		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
Departments/Agencies		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
69	DSWC - Water Basin Positions	107,148	86,500	2.0						
70	DWQ - Basinwide Enhancement & Implementation	534,957	23,669	10.0						
71	DEH - Recreational Water Quality Monitoring	622,262	27,000	7.0						
72	DWR - Stream Watch/Project Wet	45,000		1.0						
73	Pfisteria Research		120,000							
74	Forestry - Water Quality Foresters	344,286	71,200	7.0						
75	DSWC - Ag Cost Share Technical Assistance	1,000,000								
76	DSWC - Computer Funding	36,000	25,000							
77	DEH - Safe Wells	1,514,751	42,000	8.0						
78	DEH - On-site Wastewater Expansion	549,954	7,240	8.0						
79	DMF - Enhance Maintenance Section	195,058	17,250	3.0						
80	DMF - Administrative Support	110,380		4.0						
81	Parks - Parks Biologists	208,100	37,000	4.0						
82	Parks - Staff and Lifeguards - Falls and Jordan Lakes	224,296	16,365	2.0						
83	Natural Resources Marketing		750,000							
84	Parks - Jocassee Gorges Operations	183,935	162,000	5.0						
85	Improve Customer Service		50,000							
86	DEH - Improve Child Care Sanitation Services	570,434	19,500	3.0						
87	Oregon Inlet - Sand Study								100,000	
88	Oregon Inlet Stabilization Study Commission								300,000	
	Sub-Total DENR	16,426,064	23,392,925	186.5	2,752,166	22,231,282	63.5			
	Department of Commerce									
89	Industrial Recruitment Competitive Fund		5,000,000			3,000,000			1,000,000	
90	Bus/Industry Marketing and Advertising Combined					500,000				
91	DCA - Upper Coastal Plain COG					150,000				

**BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES**

	Departments/Agencies	Governor's Recommendations			Senate Final Budget			House Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
92	DCA - Land Use Planning					250,000				
93	Industrial Commission - Reduce Operating Support	(93,322)		(1.0)	(93,322)		(1.0)	(93,322)		(1.0)
94	Industrial Commission - Temporary Positions		100,000			100,000			100,000	
95	Industrial Development - Utility Account		14,000,000			3,000,000			1,000,000	
96	NC ACTS - Reduce Director's Salary	(24,356)			(24,356)			(24,356)		
97	Year of the Mountain Planning Initiative					300,000				
98	Special Olympics 1999 World Summer Games		3,400,000			3,000,000			3,000,000	
99	Regional Economic Development Commissions	350,000			350,000					
100	North Carolina Progress Board		400,000			400,000				
101	Institute for Aeronautical Technology		5,000,000			4,000,000				
102	Transfer Boxing Commission				202,770		3.0			
103	Travel - Reduce Printing	(100,000)			(100,000)			(100,000)		
104	Travel - Advertising & Marketing Funds Combined					2,200,000				
105	Travel - International Marketing Efforts		1,000,000						500,000	
106	Travel - General Advertising/Marketing		1,000,000						500,000	
107	Travel - Rural Tourism Grant Funds					300,000			100,000	
108	Wanchese - Oregon Inlet Project				339,000	11,000	2.0			
109	NC Business Court	138,188	135,000		Funded in Senate JPS					
110	Film Office Advertising and Promotion	77,000	400,000	1.0						
111	Travel - US Open		1,000,000							
112	Bus/Industry-Marketing Missions/Trade Shows		250,000							
113	Bus/Industry-General Advertising/Marketing		500,000							
114	Certified Economic Development Training		25,000							
115	Industrial Dev.-Building Renovation/Utility Infrastructure		18,000,000							
116	State Development Zones		2,000,000							
117	Global Transpark Marketing		150,000							
118	NC Government Competition Commission							218,000	14,700	3.0
	Sub-Total Commerce	347,510	52,360,000	-	674,092	17,211,000	4.0			

**BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES**

	Departments/Agencies	Governor's Recommendations			Senate Final Budget			House Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	State Aid to Non-State Entities									
119	NC Coalition of Farm and Rural Families	250,000				250,000			0	
120	NC Global Center		250,000			500,000				
121	Charlotte/Mecklenburg Development Corporation					1,000,000				
122	Stanly/Montgomery County Airport Authorities					250,000				
123	NC Community Development Initiative					325,000				
124	Southern Piedmont Transit Authority					500,000				
125	Land Loss Prevention Project	350,000				350,000			350,000	
126	Town of Chadbourne - Emergency Repairs					500,000				
127	Yadkin/Pee Dee Lakes Project					150,000			0	
128	Minority Support Center	375,000				375,000			375,000	
129	Center for Community Self-Help					1,000,000			0	
130	Technological Development Authority					3,500,000			3,500,000	
131	4-H/Eastern Ag Livestock Arena		600,000			600,000				
132	NC Institute of Minority Economic Development	1,000,000				1,000,000			1,000,000	
133	William States Lee Leadership Institute		3,000,000			2,000,000				
134	Duplin Multi-Purpose Center Funds					250,000				
135	Jones Economic Development Funds					200,000				
136	World Trade Center		300,000						0	
	Sub-Total State Aid	1,975,000	4,150,000			12,750,000				
	MCNC									
137	Administrative Reduction	(30,750)								
138	Temporary Operating Support		2,030,750							
139	Increase and Adjust Final Year of State Funding				(2,500,000)	4,500,000		(2,500,000)	2,500,000	
140	Reallocate Final Year Funding									
	Sub-Total MCNC	(30,750)	2,030,750		(2,500,000)	4,500,000				

**BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES**

Departments/Agencies		Governor's Recommendations			Senate Final Budget			House Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
NC Biotechnology Center										
141	Administrative Reduction	(25,483)			(25,483)			(25,483)		
142	NC Bioscience Investment Fund, L.L.C					2,500,000				0
Sub-Total Biotech		(25,483)	-		(25,483)	2,500,000				
REDC										
143	Administrative Reduction	(12,662)			(12,662)			(12,662)		
144	Supplemental Funding Program	2,825,000	1,000,000			3,565,000			6,000,000	
145	Capacity Grants Program	200,000				200,000				
146	Administration -- Supplemental & Capacity	125,000				60,000				
147	NC Association of CDC's	200,000				200,000				
148	Administration -- General							150,000		
Sub-Total REDC		3,337,338	1,000,000		(12,662)	4,025,000				
SIPS										
149	IRM Positions Shift to Receipts	(263,791)		(4.0)	(271,530)		(4.0)	(271,530)		(4.0)
150	Continue and Expand NC Information Highway		6,143,160			6,143,160			6,143,160	
Sub-Total SIPS		(263,791)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)			
GRAND TOTAL - NER		22,161,916	91,076,835	185.5	1,091,823	73,030,498	77.5			

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Housing Finance Agency									
1	Housing Trust Fund	-	2,000,000			2,000,000			2,000,000	
	Sub-Total HFA	-	2,000,000		-	2,000,000		-	2,000,000	0.0
	Department of Agriculture and Consumer Services									
2	Automated Information and Technical Support	306,628		3.0	151,522	155,106	3.0	151,522	155,106	3.0
3	Animal Waste, Soil and Plant Testing				271,668	144,600	4.0	271,668	144,600	4.0
4	Farmland Preservation Trust Fund					500,000			0	
5	Department Wide - Receipts Adjustments	(210,600)			(210,600)			(210,600)		
6	Albemarle Farmers' Market					50,000			0	
7	Jacksonville-Onslow Farmers' Market					50,000			0	
8	Seafood and Aquaculture Marketing	300,000				300,000			0	
9	Goodness Grows in NC					200,000			200,000	
10	Structural Pest Control Program Improvements				262,650	80,350	7.0	262,650	80,350	7.0
11	Small, Family Farms (Marketing/Promotion)								50,000	
12	Small, Family-Owned Farms Loan Program								1,000,000	
13	Small, Family Dairy Farm Grants								1,500,000	
14	Pseudorabies Eradication								150,000	
15	Pesticide/Food Lab Funds							442,035	290,000	10.0
16	Local Agricultural Fairs Grant Funds								150,000	
17	Local Farmers' Markets Grant Funds								200,000	
	Sub-Total Ag	396,028	-	3.0	475,240	1,480,056	14.0	917,335	3,920,056	24.0

BUDGET COMPARISONS										
NATURAL AND ECONOMIC RESOURCES										
		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Department of Labor									
18	Office Equipment for Move to Old Revenue Building	-	-		-	190,000			190,000	
19	Information Highway site								30,000	
	Sub-Total Labor	-	-		-	190,000		-	220,000	0.0
	Department of Environment and Natural Resources									
20	Controller's Office - Reduce Salary Reserve	(5,053)			(5,053)			(5,053)		
21	Executive Offices - Eliminate Vacant Position	(82,134)		(1.0)	(82,134)		(1.0)	(82,134)		(1.0)
22	Conservation Tax Credit Program and Grant Funds	194,677	113,500	2.0	149,990	206,500	1.0	0	0	
23	General Services - Reduce Salary Reserve	(10,000)			(10,000)			(10,000)		
24	Regional Offices - Reduce Operating Funds	(31,416)			(31,416)			(31,416)		
25	Forestry - Improve Efficiency and Computer Technology	(311,034)			(311,034)			(311,034)		
26	Forestry - Insurance for CL-215		160,000			160,000			116,000	
27	Forestry - District 12 Helicopter Funds				167,860		2.0	167,860		2.0
28	DMF - Reduce Operating Support	(130,000)			(130,000)			(130,000)		
29	DMF - License Administration Funds	246,088		6.0	246,088		6.0	246,088		6.0
30	DMF - Staff Support for Appeals Review	29,738	3,800	1.0	29,738	3,800	1.0	0	0	
31	DMF - Fisheries Management Plans	1,604,496		26.0	540,158	142,500	10.0	540,158	142,500	10.0
32	DMF - Coastal Habitat Protection Plans	263,304		5.0	160,170	15,300	3.0	160,170	15,300	3.0
33	DMF - Information Technology Funds	1,142,278	452,453	2.0	72,223	1,492,508	2.0		1,000,000	
34	Museum - Reduce Supplies	(39,513)			(39,513)			(39,513)		
35	Museum - Additional Funds for Grassroots Science					3,250,000			0	
36	Zoo - Adjust Equipment/Vehicle Replacement Schedule	(133,079)			(133,079)			(133,079)		
37	Environmental Education - Grant Funds		350,000			200,000			100,000	
38	Parks - Increase Receipts	(100,000)			(100,000)			(100,000)		
39	Parks - Expand Natural Heritage Program	216,737	26,300	4.5	216,737	26,300	4.5		250,000	
40	Parks - Adopt-a-Trail Program					100,000			0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
41	DSWC - Technical Assistance for Animal Waste	(185,445)		(5.5)	(185,445)		(5.5)	(185,445)		(5.5)
42	DSWC - Ag Cost Share Program		3,500,000			1,000,000			0	
43	DSWC - Soil and Water District Travel Funds	150,000				50,000			50,000	
44	Air Quality - Reduce Operating Support	(14,892)			(14,892)			(14,892)		
45	Coastal - Reduce Operating Support	(30,004)			(30,004)			(30,004)		
46	Coastal - Chevron/OCS Response	137,559	260,000	2.0		367,023	1.0	0	0	
47	DEH - Reduce Staff and Operating Support	(72,210)		(0.5)	(72,210)		(0.5)	(72,210)		(0.5)
48	DEH - Environmental Health Specialists Training		100,000			100,000			100,000	
49	DEH - Federal Water Supply Assistance Match		2,571,880			2,571,880			special provision	
50	Land Resources - Reduce Operating Support	(42,861)			(42,861)			(42,861)		
51	Land Resources - Sedimentation/Erosion Control	1,789,448	360,282	30.0	338,570	24,000	6.0	169,285	12,000	3.0
52	PPEA - Reduce Pollution Prevention Grants	(24,362)			(24,362)			(24,362)		
53	Waste Management - Eliminate Position	(45,095)		(1.0)	(45,095)		(1.0)	(45,095)		(1.0)
54	DWQ - Operating Support	250,533	749,467		250,533			0	0	
55	DWQ - Basinwide Data Management Initiative	201,000	1,561,830	1.0		500,000		0	0	
56	DWQ - Increase Compliance/Reduce Spills	780,531	60,000	15.0	332,280	28,000	7.0	0	0	
57	DWQ - Groundwater Pollution Prevention & Control	721,479	256,587	12.0	721,479	256,587	12.0	0	0	
58	DWQ - Neuse/Tar-Pam Rapid Response Teams	544,634	226,774	8.0	544,634	226,774	8.0	0	0	
59	DWQ - Water Quality Monitoring	2,068,670	1,827,296	10.0	164,080	2,872,980	4.0		special provision	
60	DWQ - Federal Wastewater Assistance Match		4,860,532			4,860,532			special provision	
61	DWR - Real Time Stream Gauge Data	10,000	170,000		10,000	170,000		10,000	170,000	
62	DWR - Groundwater Resource Management	850,000	15,000	5.0	414,724	386,598	4.0	0	0	
63	Partnership for the Sounds	150,000	150,000		150,000	250,000		0	0	
64	Alternative Animal Waste Technology - NCSU		750,000			750,000			375,000	
65	Neuse Modeling and Monitoring Program		880,000			720,000			0	
66	Upper Neuse River Basin Association					300,000			0	
67	New River Monitoring Funds					50,000			0	
68	Museum of Life & Science (BioQuest)		2,500,000			500,000			0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's Recommendations			Senate Final Budget			House Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
69	LLRW - Facility Siting Assistance Funds				100,000			100,000		
70	County Recreational Building				50,000			0		
71	Reduce Contracts and Operating Support - LLRW				(500,000)			(500,000)		
72	WRC - Beaver Control Program				500,000			500,000		
73	Environmental Education - River Basin Education	85,429	32,500	1.0				0	0	
74	DSWC - Water Basin Positions	107,148	86,500	2.0				0	0	
75	DWQ - Basinwide Enhancement & Implementation	534,957	23,669	10.0				0	0	
76	DEH - Recreational Water Quality Monitoring	622,262	27,000	7.0				0	0	
77	DWR - Stream Watch/Project Wet	45,000		1.0				0		
78	Pfisteria Research		120,000						0	
79	Forestry - Water Quality Foresters	344,286	71,200	7.0				196,735	40,685	4.0
80	DSWC - Ag Cost Share Technical Assistance	1,000,000						0		
81	DSWC - Computer Funding	36,000	25,000					36,000	25,000	
82	DEH - Safe Wells	1,514,751	42,000	8.0				0	0	
83	DEH - On-site Wastewater Expansion	549,954	7,240	8.0				0	0	
84	DMF - Enhance Maintenance Section	195,058	17,250	3.0				0	0	
85	DMF - Administrative Support	110,380		4.0				0		
86	Parks - Parks Biologists	208,100	37,000	4.0				0	0	
87	Parks - Staff and Lifeguards - Falls and Jordan Lakes	224,296	16,365	2.0				0	0	
88	Natural Resources Marketing		750,000						0	
89	Parks - Jocassee Gorges Operations	183,935	162,000	5.0				0	0	
90	Improve Customer Service		50,000						0	
91	DEH - Improve Child Care Sanitation Services	570,434	19,500	3.0				0	0	
92	Oregon Inlet - Sand Study								100,000	
93	Oregon Inlet Stabilization Study Commission								300,000	
94	DSWC - Junaluska Creek Damage Funds								7,500	
	Sub-Total DENR	16,426,064	23,392,925	186.5	2,752,166	22,231,282	63.5	(230,802)	3,403,985	20.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

Departments/Agencies	Governor's Recommendations			Senate Final Budget			House Recommendations		
	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
Department of Commerce									
95 Industrial Recruitment Competitive Fund		5,000,000			3,000,000			1,000,000	
96 Bus/Industry Marketing and Advertising Combined					500,000			500,000	
97 DCA - Upper Coastal Plain COG					150,000			0	
98 DCA - Land Use Planning					250,000			0	
99 Industrial Commission - Reduce Operating Support	(93,322)		(1.0)	(93,322)		(1.0)	(93,322)		(1.0)
100 Industrial Commission - Temporary Positions		100,000			100,000			100,000	
101 Industrial Development - Utility Account		14,000,000			3,000,000			1,000,000	
102 NC ACTS - Reduce Director's Salary	(24,356)			(24,356)			(24,356)		
103 Year of the Mountain Planning Initiative					300,000			0	
104 Special Olympics 1999 World Summer Games		3,400,000			3,000,000			3,000,000	
105 Regional Economic Development Commissions	350,000			350,000			0		
106 North Carolina Progress Board		400,000			400,000			0	
107 Institute for Aeronautical Technology		5,000,000			4,000,000			0	
108 Transfer Boxing Commission				202,770		3.0			
109 Travel - Reduce Printing	(100,000)			(100,000)			(100,000)		
110 Travel - Advertising & Marketing Funds Combined					2,200,000			0	
111 Travel - International Marketing Efforts		1,000,000						600,000	
112 Travel - General Advertising/Marketing		1,000,000						600,000	
113 Travel - Rural Tourism Grant Funds					300,000			100,000	
114 Wanchese - Oregon Inlet Project				339,000	11,000	2.0	0	0	
115 NC Business Court	138,188	135,000		Funded in Senate JPS			To be handled in JPS		
116 Film Office Advertising and Promotion	77,000	400,000	1.0				0	0	
117 Travel - US Open		1,000,000						1,000,000	
118 Bus/Industry-Marketing Missions/Trade Shows		250,000						0	
119 Bus/Industry-General Advertising/Marketing		500,000						0	
120 Certified Economic Development Training		25,000						0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's Recommendations			Senate Final Budget			House Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
121	Industrial Dev.-Building Renovation/Utility Infrastructure		18,000,000						0	
122	State Development Zones		2,000,000						1,000,000	
123	Global Transpark Marketing		150,000						0	
124	NC Government Competition Commission							218,000	14,700	3.0
125	DCA - Historic Waterfront Revitalization Grant Funds								400,000	
	Sub-Total Commerce	347,510	52,360,000	0.0	674,092	17,211,000	4.0	322	9,314,700	2.0
	State Aid to Non-State Entities									
126	NC Coalition of Farm and Rural Families	250,000				250,000			0	
127	NC Global Center		250,000			500,000			0	
128	Charlotte/Mecklenburg Development Corporation					1,000,000			0	
129	Stanly/Montgomery County Airport Authorities					250,000			0	
130	NC Community Development Initiative					325,000			0	
131	Southern Piedmont Transit Authority					500,000			0	
132	Land Loss Prevention Project	350,000				350,000			350,000	
133	Town of Chadbourne - Emergency Repairs					500,000			0	
134	Yadkin/Pee Dee Lakes Project					150,000			0	
135	Minority Support Center	375,000				375,000			375,000	
136	Center for Community Self-Help					1,000,000			0	
137	Technological Development Authority					3,500,000			3,500,000	
138	4-H/Eastern Ag/Livestock Arena		600,000			600,000			600,000	
139	NC Institute of Minority Economic Development	1,000,000				1,000,000			1,000,000	
140	William States Lee Leadership Institute		3,000,000			2,000,000			0	
141	Duplin Multi-Purpose Center Funds					250,000			0	
142	Jones Economic Development Funds					200,000			0	
143	World Trade Center		300,000						0	
	Sub-Total State Aid	1,975,000	4,150,000		-	12,750,000		-	5,825,000	0.0

BUDGET COMPARISONS										
NATURAL AND ECONOMIC RESOURCES										
		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	MCNC									
144	Administrative Reduction	(30,750)						0		
145	Temporary Operating Support		2,030,750						0	
146	Increase and Adjust Final Year of State Funding				(2,500,000)	4,500,000		0	0	
147	Reallocate Final Year Funding							(2,500,000)	2,500,000	
	Sub-Total MCNC	(30,750)	2,030,750		(2,500,000)	4,500,000		(2,500,000)	2,500,000	0.0
	NC Biotechnology Center									
148	Administrative Reduction	(25,483)			(25,483)			(25,483)		
149	NC Bioscience Investment Fund, L.L.C					2,500,000			0	
	Sub-Total Biotech	(25,483)	-		(25,483)	2,500,000		(25,483)	-	0.0
	REDC									
150	Administrative Reduction	(12,662)			(12,662)			(12,662)		
151	Supplemental Funding Program	2,825,000	1,000,000			3,565,000			6,000,000	
152	Capacity Grants/Program	200,000				200,000			200,000	
153	Administration – Supplemental & Capacity	125,000				60,000			0	
154	NC Association of CDC's	200,000				200,000			200,000	
155	Administration – General							150,000		
	Sub-Total REDC	3,337,338	1,000,000		(12,662)	4,025,000		137,338	6,400,000	0.0
	SIPS									
156	IRM Positions Shift to Receipts	(263,791)		(4.0)	(271,530)		(4.0)	(271,530)		(4.0)
157	Continue and Expand NC Information Highway		6,143,160			6,143,160			6,143,160	
	Sub-Total SIPS	(263,791)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)
	GRAND TOTAL - NER	22,161,916	91,076,835	185.5	1,091,823	73,030,498	77.5	(1,972,820)	39,726,901	42.0

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES

JULY 9, 1998

The House Appropriations Subcommittee on Natural and Economic Resources met at 8:30 a.m. on July 9, 1998 in Room 605 in the Legislative Office Building.

Representative Rex Baker presided and the following members were present:

Representatives Mitchell and Carpenter, Co-Chairs; Representatives Allen, Culp, Fox, Hall, H. Hunter, Owens, Tolson and Weatherly. Visitor registration sheet is attached and made part of the minutes.

Chairman Baker announced that the Committee would not work Friday but would reconvene at 1:00 p.m. Monday, July 13th for about four hours. Special provisions will be discussed at that meeting.

Chairman Baker recognized Mark Trogden. Mr. Trogden explained he would only discuss the gray areas in attachment #1 which are changes since the previous meeting. The following items were discussed:

Item 108 - Boxing Commission is being transferred to Commerce.

Item 51 - Land Resources - Sedimentation/Erosion Control - Joe Phillips from NCSU stressed they don't have enough funds or manpower - need to get around and inspect at least every three months.

Item 35 - Museum - Additional Funds for Grassroots Science - Dave Mosely spoke on behalf of the museums in Asheville each getting \$50,000 instead of splitting the \$50,000. Jennifer Staff, staff, said the appropriation is based on cities. After discussion, it was decided to give \$50,000 to one and leave the other at \$35,000. Rep. Owens spoke in support of giving both museums the same. Rep. Mitchell spoke in opposition.

Item 86 - Park Biologists and 87 - Staff and Lifeguards for Falls and Jordan Lakes - Dr. Phil McNeally spoke in support of these items. Rep. Fox suggested we fund Item 86. Rep. Carpenter objected. Rep. Mitchell questioned whether Item 86 or 87 was the most important. Dr. McNeally feels that Line 86 is the most important. Rep. Owens asked what was being done to protect the Forestry within parks. Dr. McNeally replied that it works with Forestry Resources to control an insect problem. Chairman Baker said Item 86 would be penciled in per response to vote.

Item 42 - DSWC - Ag Cost Share Program - Rep. Culp made a motion to put \$1M in Item 42. Rep. Mitchell made a substitute motion for \$500,000. Motion passed.

Line 74 - DSWC - Water Basin Positions - Rep. Culp made a motion to put \$150,000 in non-recurring.

Rep. Allen asked for an explanation of Items 76, 82, 83 and 91. Linda Sewell - Environmental Health explained the items.

Item 76 - DEH - Recreational Water Quality Monitoring - monitors water in recreational areas - particularly this year due to outburst of illnesses.

Item 82 - DEH - Safe Wells - Makes sure that wells are properly constructed. \$1M goes to counties to get program off the ground.

Item 83 - DEH - On-site Wastewater Expansion - Program is shortstaffed and cannot do everything that needs to be done.

Item 91 - DEH - Improve Child Care Sanitation Services - \$400,000 is for local Health Department's to inspect day-care centers with no state staff dedicated to this at the present time.

Item 95 - Industrial Recruitment Competitive Fund - Rep. Owens asked for \$2M instead of \$1M since this does seem to help clinch the deal on industry recruitment.

Item 101 - Industrial Development - Utility Account - Rep. Owens said we need \$2M in that line item.

Rep. Owens also discussed putting Item 111 - Travel - International Marketing Efforts, 112 - Travel - General Advertising Marketing and 117 - Travel - US Open into one item. Chairman Baker said it must be funded separately because of the US Open. Rep. Owens said he would like to see Item 111 and 112 go to \$800,000.

Item 37 - Environmental Education - Grant Funds - Rep. Tolson asked for an explanation. Director Ann Taylor said the funds were used for 166 schools and libraries in 66 counties last year. She said they really need \$250,00 this year. Rep. Tolson suggested we match with \$200,000.

Item 51 - Land Resources - Sedimentation/Erosion Control - Rep. Allen wanted to go back and add 2 positions which would increase it to 5.

Chairman Baker questioned adding an item for \$321,000 in funds to complete an Isotope Study. Rep. Mitchell suggested the item be added as non-recurring.

Item 79 - Forestry - Water Quality Foresters - Rep. Carpenter spoke on behalf of funding all 7 positions - suggest we go with the Governor's position on Forestry.

Item 62 - DWR - Groundwater Resource Management - Monitors ground water levels particularly in coastal counties - some wells put in the late 60's and early 70's are no longer usable.

Item 80 - DSWC - Ag Cost Share Technical Assistance - Rep. Culp would like to put \$200,000 in non-recurring.

Chairman Baker spoke about the 14 positions transferred to DENHR and the need to give them some help.

Item 134 - Yadkin/Pee Dee Lakes Project - Rep. Culp would like to put \$150,000 into the funding.

Item 122 - State Development Zones - Rep. Hunter thanked the Chairmen for the \$1M funding but would like to see it go to \$2M.

Item 1 - Housing Trust Fund - Rep. Hall would like to see that raised.

Item 108 - Transfer Boxing Commission - Rep. Owens said he would like for it to be set up as an Independent Commission - still be transferred to Commerce for funding.

Item 1 - Housing Trust Fund - Rep. Allen made a motion to raise to \$3M - Chairman Baker said it would be penciled in and looked at again on Monday.

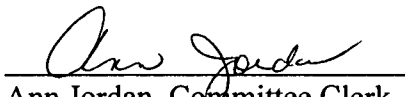
Item 116 - Film Office Advertising and Promotion - Rep. Hall would like to see that funded . The person would go to California to recruit movies to North Carolina.

Item 137 - Technological Development Authority - Rep. Carpenter spoke on behalf of this appropriation and said that it really needs an additional \$2M.

Meeting adjourned.



Rep. Rex Baker, Chairman



Ann Jordan, Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 9, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
<i>Denney Roth</i>	<i>S of Water DENR</i>
<i>John R Bratton</i>	<i>Sedimentation Control Commission</i>
<i>Joseph A. Phillips</i>	<i>" " "</i>
<i>Charles Gardner</i>	<i>DENR</i>
<i>Jane Smith</i>	<i>DENR</i>
<i>Linda Sewell</i>	<i>DEH</i>
<i>Steve Woodson</i>	<i>NC Farm Bureau Federation</i>
<i>Sharon Aetieru</i>	<i>OSBM</i>
<i>JW Reel</i>	<i>OSBM</i>
<i>Johnny Gray</i>	<i>OSBM</i>
<i>John Bowdish</i>	<i>Zeb Alley P.A.</i>
<i>Shannon Szymczak</i>	<i>The Nature Conservancy - NC Chap.</i>
<i>Denny McGuire</i>	<i>Commerce / ITS</i>
<i>Dave Hawkins</i>	<i>State Planning</i>
<i>Sue Lipson</i>	<i>Dept of Commerce</i>
<i>Phil Wilson</i>	<i>Commerce</i>
<i>Buck Lattimore</i>	<i>NC Industrial Commission</i>
<i>Margaret Matrone</i>	<i>NC Housing Finance Agency</i>
<i>Bob KVAB</i>	<i>NC HFA</i>
<i>Tom Fransen</i>	<i>DENR-DWR</i>
<i>Juda Shaw</i>	<i>NC Low Income Housing Coalition</i>
<i>Kathy Sawyer</i>	<i>NC DOC</i>
<i>Rob Schofield</i>	<i>NC Justice Ctr.</i>
<i>Mike Calloun</i>	<i>Self-Help</i>
<i>Maurice Weaver</i>	<i>NCDAACS</i>
<i>Walter Denny</i>	<i>"</i>

MINUTES

House Appropriations Sub-Committee on Natural and Economic Resources

July 13, 1998 - 1:00 p.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met Monday, July 13, 1998 at 1:00 p.m. in Room 643 of the Legislative Office Building. Representative Frank Mitchell, House Co-Chair, called the meeting to order at 1:10 p.m. Members present were Representatives Mitchell, Baker, Culp, Tolson, Fox, Weatherly, Allen, Hall, Owens, and Hunter.

Representative Mitchell stated that the committee would be going over dollar figures today and noted that the special provisions are not ready but will begin on them tomorrow. The document distributed today reflects that we are over the budget that was allotted us. The committee does not know how much will be recurring and non-recurring. Representative Hall asked how much are we over the budget, and Jennifer Herrera stated approximately \$1.16 million.

Mona Moon explained that the spreadsheet which had been distributed was similar to the one last week comparing the Governor's recommendation to the Senate's final budget and the recommendations to date of the House and NER chairs. Basically, the spreadsheet has been updated to reflect changes made in the meeting last Thursday as well as some additional changes that the chairs requested following the meeting. The changes have been highlighted or shaded in gray and noted the following changes:

Page 1, Item 12, **Small, Family-Owned Farms Loan Program**. The amount has been changed to \$1.5 million compared to \$1 million on Thursday.

Page 3, Item 48, **DEH - Food Sanitation Training Funds**. The dollars are the same as previously discussed. The description is slightly different. Last Thursday, we discussed that this was training money and for an environmental health specialist for local program training. The item is being designated for food sanitation training which is consistent with the appropriation as it has been for the last two or three years.

Page 4, Item 71, **Reduce Contracts and Operating Support - LLRW in the Department of Environment and Natural Resources (DENR)** for the low level radioactive waste project. The reduction has been increased to \$1.123 million and 10 positions. It was previously \$500,000 and related only to contracts and operating support.

On page 4, Item 96, **Eliminate Assistant Secretary and Staff DENR** is a new additional item. That would be the special assistant and the clerical support for that position.

Representative Fox asked if Item 95, **Isotope Study**, was the same as the previous handout on Thursday. Ms. Moon stated that it was an item that the committee agreed to include \$321,000 to continue the study and was placed in committee last Thursday.

Page 6, Item 140, **Care Trak System Funds**, is a new item totaling \$141,400.

Page 6, Item 147, **Textile Museum**, is a new item totaling \$100,000

Page 7, Item 155, **Supplemental Funding Program**. The funding has been increased to \$8,000,000. It was \$6,000,000 at the last meeting.

On page 7, Item 157, **Research and Demonstration Grants Program**, is a new item totaling \$50,000.

Ms. Moon noted the committee has overspent approximately \$1.1 million.

Representative Allen asked for an explanation on Item 71, **Reduce Contracts and Operating Support - LLRW**. Ms. Moon replied that years ago when the General Assembly began considering the low level radioactive waste project in the late 80's, they appropriated money for that project. It included money in the general government area for the low level radioactive waste management authority that has been overseeing the license application for the facility. The General Assembly also appropriated funds specifically to DENR because they are the regulatory agency responsible for reviewing permit applications or the license applications to be sure that everything in terms of construction and operation of the facility is in compliance with the state's environmental laws. Because the low level radioactive waste project was so large, the General Assembly appropriated money specifically for positions and operating support to oversee that rather than the agency having to find enough people within their existing staff to provide the regulatory support. Over the years, there have been additions to appropriations and some subsequent budget reductions in other years. It appears that the Department has \$1.5 million in their continuation budget that supports 16 positions. This reduction would eliminate 10 of those positions as well as \$500,000 in operating support and contractual funds for contractual services. The project has been on hold since December. The department has been trying to archive data in the event the project is started again. The reduction does not eliminate all 16 positions. There will be six people within the agency that will still be able to provide the support if the project begins to move forward and give them a few people to support the project until they can come back with expansion requests if the project does begin ongoing in full force again.

Representative Allen then asked for an explanation on Item 96, **Executive Offices - Eliminate Assistant Secretary and Staff, DENR**. Ms. Moon replied that Item 96 is a reduction to eliminate the assistant secretary for administration within DENR. There are currently three assistant secretaries: one for Environment, one for Natural Resources, and one for Administration. Each of those positions has a special assistant position as well as secretarial support. In the Environmental and Resource area, there seems to be a need for

a management type person to oversee the policy and ongoing operation of those divisions. That does not seem to be the case with the Administrative Division. There is less policy making. It is felt that the division directors can report directly to the deputy secretary and eliminate the Assistant Secretary position as well as the special assistant and clerical position.

Representative Weatherly asked a question on Item 72 - **WRC - Beaver Control Program**. He noted that it was his understanding it would be made possible for counties that presently are not cooperating to enter the program. He asked if the \$500,000 represent the expanded program or the amount it would take to sustain the program. Representative Mitchell stated that the money would stay the same and counties are being added, but some of the counties are not taking advantage of the money. The amount of \$500,000 is needed; it cannot be trimmed. Jennifer Herrera reported that the Beaver Control Program has been funded with non-recurring funds for a number of years. The most recent figure was forty counties at \$450,000. The gentleman who directs that program in USGA made a presentation to the NER Appropriations Committee during the interim that provided \$500,000 for the program to be opened statewide for counties who wished to participate. It still maintains the \$4,000 contribution that counties have to put up; it was felt by their program administrator that \$500,000 would adequately cover the program statewide.

Representative Owens asked if Item 155, **Supplemental Funding Program**, was limited to \$100,000 each on the grants. Ms. Herrera commented that according to the world center guidelines established, a grant could not be granted for more than 50 percent of a program's total cost. She noted that she will find out and report back to the committee. Representative Mitchell noted that the committee is trying to get as many house initiatives in the budget because everyone that is locked in with the Senate is off the table when negotiations come and the House doesn't have any bargaining room. If we don't put some in for the house initiatives, we will be lost and not able to get it in. Ms. Herrera reported that in looking through information on supplemental grant guidelines for the 1997-98 fiscal year, it is indicated that the maximum grant amount is no more than \$150,000. Representative Owens asked if the number of applications for the money would justify the \$8 million, noting that it has been a wonderful program in the few counties he has dealt with. He wanted to be sure if there are enough applications each year going in requesting \$150,000, there will be enough to fund it. Representative Mitchell reported there were approximately 140 applications, and we were not able to get them all. We feel we can reach more people in the state with this line item than we can with some of the others we have been funding each year.

Representative Hall asked the committee to take a look at item 118, **Film Office Advertising and Promotion under Commerce**. We talked last week and had \$400,000 in there. We took one of their employees last session, and Mr. Arnold told me that he could really use that employee. Lisa Aycock, with the Department of Commerce, stated that a position had been lost; and Bill Arnold, Film Office Director, has indicated that he does need that position back. The Governor's budget included \$77,000 to add another

position to that office. Representative Mitchell asked how the \$77,000 would be used. Ms. Aycock stated that it included salary, fringe benefits and \$31,000 for travel. The salary grade is 72. Representative Mitchell noted \$31,000 was a lot for traveling and asked where they would be going. Ms. Aycock replied they would be traveling all over the state and also considerable trips to Hollywood and California to recruit film business. Representative Hall commented there is negotiations going on with three different companies for three different movies. At the present time, there are five movies being shot in North Carolina. Representative Mitchell stated that the committee might have to come back later and make cuts. Representative Hall stated he had several things that could be cut but would leave up to you to find the cuts. He noted he would like to have \$100,000 put in to hire the people needed. Representative Mitchell asked why \$100,000 would be needed when they have requested \$77,000. Representative Hall noted that the difference was in the travel part--\$31,000 travel. Representative Mitchell felt they could hire someone cheaper. Representative Mitchell asked if \$77,000 included the salary, benefits, and travel for the one position, and Ms. Aycock noted that it did. Representative Mitchell noted that the motion was to include \$77,000 for one position as recommended by Representative Hall. Motion carried.

Representative Tolson noted that Kimberly Kyser was in attendance and would like for the committee to listen to her proposal before a vote is taken. Ms. Kaiser stated that she was seeking funding for a documentary film on the biography of her father, Kay Kyser who was born in Rocky Mount, North Carolina. It is an hour in length for Public Television programming. They want this. The sale of videos will promote public television in North Carolina to support other programming. It is a film to support heritage tourism. Representative Mitchell stated that her request should go to Cultural Resources or the University budget.

Preston Pate, Division of Marine Fisheries, expressed appreciation for the level of funding that was provided in the draft budget. It recognizes the committee's understanding of Marine Fisheries' coastal issues and the progress that could be made under the Marine Fisheries Reform Act which was passed last year with the additional funding and staff support necessary to carry out the new programs that are now required. First is the information technology needs. We went through an audit by the State Auditors last year that was looking at the internal performance of the Division of Marine Fisheries. One of the most significant findings was the lack of computer technology that the Division had and the fragmentation of databases that were used for developing management plans and carrying out licensing responsibility, coordinating enforcement efforts, and many other areas. They made specific recommendations about improvement in information technology. The Division was successful with the General Assembly's support by getting \$550,000 additional appropriation last year to begin improvements of those programs. We hope to carry on the business plan that we created with that level of funding to improve the technology that is necessary to fully implement the licensing program that will start next year under the Fisheries Reform Act and management of the databases. The Senate had \$1,492 million in non-recurring and \$72,000 in recurring money in the budget. The Senate had funding for two positions. Those positions are

currently on staff on a temporary basis. They are database entry operator and a help desk operator. The House's proposal is for \$1 million in non-recurring money, no recurring and no new positions. He requested the committee to consider matching the Senate's level of funding and reinstating those two positions which are critical for the maintenance of the program once implemented. The additional funding is essential for fully implementing the licensing program which will be the first phase in computer information technology improvements. The licensing sales under the Fisheries Reform Act can go into effect April 1, 1999 and preparations are being made for that date. The other two areas are in response to the Audit for improvements in division operations. One of those findings was to replace temporary staff with full-time positions. Their recommendation was that those temporary position be replaced with permanent position. The Governor included in his budget the funding of four positions at a level of \$110,000. The Senate did not fund those positions, but we ask for your additional consideration for those positions. The other finding by the Auditor focused on the maintenance needs that we have for the large amount of equipment that we utilized in law enforcement and shell fish rehabilitation efforts. We have boats, motors, airplanes, cars, trucks, and various types of heavy equipment that are currently maintained on an as-needed basis and are not adequately maintained to fully implement preventative maintenance needs.

Preston Howard, Water Quality Section, was in attendance to speak of their needs. He noted that the Governor had included in his budget a number of items for the Division of Water Quality. He addressed two of those items: (1) Item 55, DWQ - Basinwide Data Management Initiative. The Division of Water Quality maintains about 60 different databases. The problem is those databases are old and antiquated. For several years, the division has been using some money that the General Assembly has provided to get us going and some money that was garnered from the EPA. They are in the process trying to build a system that will allow for integration of all the data sources and will allow us to use the information in a manner that the public regulated community and the general public both are demanding. That is to use the good science based information that is available to develop new science regulations. We feel the need to implement some new regulations, and the science is not there to support development of that regulation. We don't have framework to allow us to extricate it. The Senate included in its budget about 1/3 of what was requested originally to complete this year of the database enhance project. This is a little over \$3 million project. We are not asking for that much this year. We had asked for \$1.56 million in non-recurring money and \$201,000 in recurring funds and one position. Appeal to you today is to complete that funding so we do not loose one year's effort toward finishing that project. The most recent example that demonstrates need is with Neuse rules. Assistant Secretary, Bill Hollman, sent letter outlining some problems with the Neuse rules. They are due to try to pull data off the old systems that are not usually inter-connectable. As a result, there are errors in the data sheets that were used originally. We are having to go back and look at that information. He requested the committee to consider putting into budget the funding that Governor Hunt had requested for the database management system. The second item he reviewed was item 54, DWQ Operating Support. Those who are on the Environmental Review Commission (ERC) will recall that a presentation was made approximately a year ago about the needs of the

Water Quality operating funds. The ERC appointed a work group. A member of the EMC chaired that group, and a consensus recommendation was forwarded through the ERC for increases in permit fees as well as an increase in the general fund appropriation to match or offset that increase in permit fees. The community feels that the increase in operating funds should not be borne solely by the permit community. That is reflected in the recommendations of the work group. The Governor had included \$749,467 in non-recurring funds in this item, and \$250,553 in recurring and requested the committee to consider this in deliberations.

Representative Baker stated that after going through the list and whenever we get recurring and non-recurring breakdown and see if there needs to be adjustments made, and then we will make decisions how to get it balanced.

Representative Fox noted there needed to be more discussion on item 54, DWQ, **Operating Support**. He moved that \$250,000 be added for item. It was noted by Representative Mitchell that the item was in the Senate and if we put in ours, we won't have to cut a house item out. It will be on the table for conferees later on. Some favorite projects may have to be cut. We have \$30 million less than the Senate has to operate with. He also commented on Item 9, **Goodness Grows in NC**. They have request for \$200,000 and noted that most of the committee has been receiving things from them and did not feel that was proper to send things out when there is consideration to put them in the budget. Recommended the chairman to advise them of that. Representative Baker requested to go on record noting that he did not receive any material from them.

Representative Tolson stated that he had a family in his district that would like to donate a steam powered sawmill to the state. They have requested that it be relocated to the fairground. He has talked with the people at the State Fair, and they are willing to accept it and felt it would be a good draw for the spectators attending the fair. Representative Tolson requested that \$150,000 be added to transfer and set up and be put on the table for consideration. It is a non-recurring item. Representative Baker noted he felt the state fair was an enterprise fund; therefore, they make profit and keep the money. He felt this is a very worthwhile project but believed that the state fair should fund themselves.

Representative Owens asked why Item 8, **Seafood and Aquaculture Marketing**, was not funded. Representative Mitchell stated that it is in the Senate and felt it will be there when the final budget comes out. Representative Owens asked how much is being put in Item 12, Small Family-Owned Farms Loan Program. Representative Mitchell replied that they started in the 30's with less than \$2 million and have had no money since that time. It is a loan and is still there. It is kept in circulation and is not a grant. This is the first time money has been put in since the 30's.

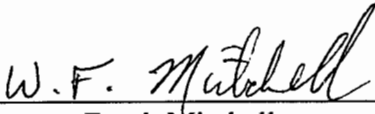
Representative Mitchell reported there were several requests in committee. Representative Nye had \$85,000 request for forestry building and Representative Sherrill made request for visitor designation center at the Blue Ridge Parkway. The chairs have

looked at the items and decided that they need to go to Capital, and they will be referred to that committee today.

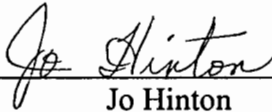
Representative Mitchell stated that they would have special revisions, recurring and non-recurring amount ready tomorrow.

There being no further business, the meeting was adjourned at 1:50 p.m.

Respectfully submitted,



Frank Mitchell
Co-Chair



Jo Hinton
Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 13, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
John C. ...	TAA
John McChes	TAA
Doug Luntin	Sydney Tank
L. Gunn	REDC
J. Klein	"
Shannon Szymczak	The Nature Conservancy - NC Chapter
A. Brotherton	UNC - GA / NC State Univ Ag Expt
BUCK LATTIMORE	NC INDUSTRIAL COMMISSION
Bernard Allen	SOS
C. Parker	Fone & Associates
Susan Terry Cole	Commerce
Kathy Sawyer	Commerce
FRED HINES	WASHINGTON Co.
Colly Browning	Washington Co.
Bunny Sanders	Mayor Roper
RUTH TURNER CAMP	Wild Trade Center North Carolina
Tom Broderick	WASHINGTON County ECONOMIC DEV. COMM.
Stephen J. Brown	Land Loss Prevention Project
Becky Brown	Labor
Dorothy Cope	"
William C. ...	ESC
Jane Smith	DHHS/DSS
Lenni Owen	DHHS/DSS
Kathy McElhee	DHHS/DSS
Katie Adams	CCNC
Lba Tolley	DENR - Office of Environmental Education

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 13, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Laura DeVivo	DENR
L. Wilder B. Denny	NCDACS
Maurice Weaver	NCDACS
Joe Stewart	CCPS
LAWRENCE KING	NCA CDC
Kimberly Kysar	Marlboard Productions
Steve Woodson	NC Farm Bureau Federation
BOB TANNER	NC Dept of Commerce
Phil Wilson	" "
James Sammons	NC Dept of ENR
Joseph A. Phillips	Sed. Control Comm
JOHN R BRATTON	" " "
Charles Gardner	DEIR
JOHN MORRIS	DENR
Jane Smith	DENR
Johnny Gray	OSBM
J.W. Reel	OSBM
Mike Callum	Self-Help
Dianna Beasley	Forestry
JAMES L. OBLINGER	N.C. STATE UNIV.
Th. Parnell	Private Citizen
Denny McGuire	NC Commerce/ITS
Linda Sewall	DENR/DEH
Bill Flournoy	Off. of the Gov.
John Bryant	DENR
	Parham Pte Adam & Benjamin

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

Governor's				Senate			House			
Recommendations				Final Budget			Recommendations			
Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	
Housing Finance Agency										
1 Housing Trust Fund	-	2,000,000			2,000,000			3,000,000		
Sub-Total HFA	-	2,000,000		-	2,000,000		-	3,000,000	0.0	
Department of Agriculture and Consumer Services										
2 Automated Information and Technical Support	306,628		3.0	151,522	155,106	3.0	151,522	155,106	3.0	
3 Animal Waste, Soil and Plant Testing				271,668	144,600	4.0	271,668	144,600	4.0	
4 Farmland Preservation Trust Fund					500,000			0		
5 Department Wide - Receipts Adjustments	(210,600)			(210,600)			(210,600)			
6 Albemarle Farmers' Market					50,000			0		
7 Jacksonville-Onslow Farmers' Market					50,000			0		
8 Seafood and Aquaculture Marketing	300,000				300,000			0		
9 Goodness Grows in NC					200,000			200,000		
10 Structural Pest Control Program Improvements				262,650	80,350	7.0	262,650	80,350	7.0	
11 Small, Family Farms (Marketing/Promotion)								50,000		
12 Small, Family-Owned Farms Loan Program								1,500,000		
13 Small, Family Dairy Farm Grants								1,500,000		
14 Pseudorabies Eradication								150,000		
15 Pesticide/Food Lab Funds							442,095	290,000	10.0	
16 Local Agricultural Fairs Grant Funds								150,000		
17 Local Farmers' Markets Grant Funds								200,000		
Sub-Total Ag	396,028	-	3.0	475,240	1,480,056	14.0	917,335	4,420,056	24.0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Department of Labor									
18	Office Equipment for Move to Old Revenue Building	-	-		-	190,000			190,000	
19	Information Highway site								30,000	
	Sub-Total Labor	-	-		-	190,000		-	220,000	0.0
	Department of Environment and Natural Resources									
20	Controller's Office - Reduce Salary Reserve	(5,053)			(5,053)			(5,053)		
21	Executive Offices - Eliminate Vacant Position	(82,134)		(1.0)	(82,134)		(1.0)	(82,134)		(1.0)
22	Conservation Tax Credit Program and Grant Funds	194,677	113,500	2.0	149,990	206,500	1.0	0	0	
23	General Services - Reduce Salary Reserve	(10,000)			(10,000)			(10,000)		
24	Regional Offices - Reduce Operating Funds	(31,416)			(31,416)			(31,416)		
25	Forestry - Improve Efficiency and Computer Technology	(311,034)			(311,034)			(311,034)		
26	Forestry - Insurance for CL-215		160,000			160,000			116,000	
27	Forestry - District 12 Helicopter Funds				167,860		2.0	167,860		2.0
28	DMF - Reduce Operating Support	(130,000)			(130,000)			(130,000)		
29	DMF - License Administration Funds	246,088		6.0	246,088		6.0	246,088		6.0
30	DMF - Staff Support for Appeals Review	29,738	3,800	1.0	29,738	3,800	1.0	0	0	
31	DMF - Fisheries Management Plans	1,604,496		26.0	540,158	142,500	10.0	540,158	142,500	10.0
32	DMF - Coastal Habitat Protection Plans	263,304		5.0	160,170	15,300	3.0	160,170	15,300	3.0
33	DMF - Information Technology Funds	1,142,278	452,453	2.0	72,223	1,492,508	2.0		1,000,000	
34	Museum - Reduce Supplies	(39,513)			(39,513)			(39,513)		
35	Museum - Additional Funds for Grassroots Science					3,250,000		35,000		
36	Zoo - Adjust Equipment/Vehicle Replacement Schedule	(133,079)			(133,079)			(133,079)		
37	Environmental Education - Grant Funds		350,000			200,000			200,000	
38	Parks - Increase Receipts	(100,000)			(100,000)			(100,000)		
39	Parks - Expand Natural Heritage Program	216,737	26,300	4.5	216,737	26,300	4.5		250,000	
40	Parks - Adopt-a-Trail Program					100,000			0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
41	DSWC - Technical Assistance for Animal Waste	(185,445)		(5.5)	(185,445)		(5.5)	(185,445)		(5.5)
42	DSWC - Ag Cost Share Program		3,500,000			1,000,000			500,000	
43	DSWC - Soil and Water District Travel Funds	150,000				50,000			50,000	
44	Air Quality - Reduce Operating Support	(14,892)			(14,892)			(14,892)		
45	Coastal - Reduce Operating Support	(30,004)			(30,004)			(30,004)		
46	Coastal - Chevron/OCS Response	137,559	260,000	2.0		367,023	1.0	0	0	
47	DEH - Reduce Staff and Operating Support	(72,210)		(0.5)	(72,210)		(0.5)	(72,210)		(0.5)
48	DEH - Food Sanitation Training Funds		100,000			100,000			100,000	
49	DEH - Federal Water Supply Assistance Match		2,571,880			2,571,880			special provision	
50	Land Resources - Reduce Operating Support	(42,861)			(42,861)			(42,861)		
51	Land Resources - Sedimentation/Erosion Control	1,789,448	360,282	30.0	338,570	24,000	6.0	282,140	20,000	5.0
52	PPEA - Reduce Pollution Prevention Grants	(24,362)			(24,362)			(24,362)		
53	Waste Management - Eliminate Position	(45,095)		(1.0)	(45,095)		(1.0)	(45,095)		(1.0)
54	DWQ - Operating Support	250,533	749,467		250,533			0	0	
55	DWQ - Basinwide Data Management Initiative	201,000	1,561,830	1.0		500,000		0	0	
56	DWQ - Increase Compliance/Reduce Spills	780,531	60,000	15.0	332,280	28,000	7.0	0	0	
57	DWQ - Groundwater Pollution Prevention & Control	721,479	256,587	12.0	721,479	256,587	12.0	0	0	
58	DWQ - Neuse/Tar-Pam Rapid Response Teams	544,634	226,774	8.0	544,634	226,774	8.0	0	0	
59	DWQ - Water Quality Monitoring	2,068,670	1,827,296	10.0	164,080	2,872,980	4.0		special provision	
60	DWQ - Federal Wastewater Assistance Match		4,860,532			4,860,532			special provision	
61	DWR - Real Time Stream Gauge Data	10,000	170,000		10,000	170,000		10,000	170,000	
62	DWR - Groundwater Resource Management	850,000	15,000	5.0	414,724	386,598	4.0	0	0	
63	Partnership for the Sounds	150,000	150,000		150,000	250,000		0	0	
64	Alternative Animal Waste Technology-NCSU		750,000			750,000			375,000	
65	Neuse Modeling and Monitoring Program		880,000			720,000			0	
66	Upper Neuse River Basin Association					300,000			0	
67	New River Monitoring Funds					50,000			0	
68	Museum of Life & Science (BioQuest)		2,500,000			500,000			0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
69	LLRW - Facility Siting Assistance Funds					100,000			100,000	
70	County Recreational Building					50,000			0	
71	Reduce Contracts and Operating Support - LLRW				(500,000)			(1,123,219)		(10.0)
72	WRC - Beaver Control Program					500,000			500,000	
73	Environmental Education - River Basin Education	85,429	32,500	1.0				0	0	
74	DSWC - Water Basin Positions	107,148	86,500	2.0					150,000	
75	DWQ - Basinwide Enhancement & Implementation	534,957	23,669	10.0				0	0	
76	DEH - Recreational Water Quality Monitoring	622,262	27,000	7.0				0	0	
77	DWR - Stream Watch/Project Wet	45,000		1.0				0		
78	Pfisteria Research		120,000						0	
79	Forestry - Water Quality Foresters	344,286	71,200	7.0				344,286	71,200	7.0
80	DSWC - Ag Cost Share Technical Assistance	1,000,000							200,000	
81	DSWC - Computer Funding	36,000	25,000					36,000	25,000	
82	DEH - Safe Wells	1,514,751	42,000	8.0				0	0	
83	DEH - On-site Wastewater Expansion	549,954	7,240	8.0				0	0	
84	DMF - Enhance Maintenance Section	195,058	17,250	3.0				0	0	
85	DMF - Administrative Support	110,380		4.0				0		
86	Parks - Parks Biologists	208,100	37,000	4.0				208,100	37,000	4.0
87	Parks - Staff and Lifeguards - Falls and Jordan Lakes	224,296	16,365	2.0				0	0	
88	Natural Resources Marketing		750,000						0	
89	Parks - Jocassee Gorges Operations	183,935	162,000	5.0				0	0	
90	Improve Customer Service		50,000						0	
91	DEH - Improve Child Care Sanitation Services	570,434	19,500	3.0				0	0	
92	Oregon Inlet - Sand Study								100,000	
93	Oregon Inlet Stabilization Study Commission								300,000	
94	DSWC - Junaluska Creek Damage Funds								7,500	
95	Isotope Study - Transfer to NCSU								321,000	
96	Executive Offices - Eliminate Assistant Secretary and Staff							(204,726)		(3.0)
	Sub-Total DENR	16,426,064	23,392,925	186.5	2,752,166	22,231,282	63.5	(555,241)	4,750,500	16.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

Governor's				Senate			House			
Recommendations				Final Budget			Recommendations			
Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	
Department of Commerce										
97 Industrial Recruitment Competitive Fund		5,000,000			3,000,000			1,000,000		
98 Bus/Industry Marketing and Advertising Combined					500,000			500,000		
99 DCA - Upper Coastal Plain COG					150,000			0		
100 DCA - Land Use Planning					250,000			0		
101 Industrial Commission - Reduce Operating Support	(93,322)		(1.0)	(93,322)		(1.0)	(93,322)			(1.0)
102 Industrial Commission - Temporary Positions		100,000			100,000			100,000		
103 Industrial Development - Utility Account		14,000,000			3,000,000			1,000,000		
104 NC ACTS - Reduce Director's Salary	(24,356)			(24,356)			(24,356)			
105 Year of the Mountain Planning Initiative					300,000			0		
106 Special Olympics 1999 World Summer Games		3,400,000			3,000,000			3,000,000		
107 Regional Economic Development Commissions	350,000			350,000			0			
108 North Carolina Progress Board		400,000			400,000			0		
109 Institute for Aeronautical Technology		5,000,000			4,000,000			0		
110 Transfer Boxing Commission				202,770		3.0				
111 Travel - Reduce Printing	(100,000)			(100,000)			(100,000)			
112 Travel - Advertising & Marketing Funds Combined					2,200,000			0		
113 Travel - International Marketing Efforts		1,000,000						800,000		
114 Travel - General Advertising/Marketing		1,000,000						800,000		
115 Travel - Rural Tourism Grant Funds					300,000			100,000		
116 Wanchese - Oregon Inlet Project				339,000	11,000	2.0	0	0		
117 NC Business Court	138,188	135,000		Funded in Senate JPS			To be handled in JPS			
118 Film Office Advertising and Promotion	77,000	400,000	1.0				0	0		
119 Travel - US Open		1,000,000						1,000,000		
120 Bus/Industry-Marketing Missions/Trade Shows		250,000						0		
121 Bus/Industry-General Advertising/Marketing		500,000						0		
122 Certified Economic Development Training		25,000						0		

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
123	Industrial Dev.-Building Renovation/Utility Infrastructure		18,000,000						0	
124	State Development Zones		2,000,000						1,000,000	
125	Global Transpark Marketing		150,000						0	
126	NC Government Competition Commission							218,000	14,700	3.0
127	DCA - Historic Waterfront Revitalization Grant Funds								400,000	
	Sub-Total Commerce	347,510	52,360,000	0.0	674,092	17,211,000	4.0	322	9,714,700	2.0
	State Aid to Non-State Entities									
128	NC Coalition of Farm and Rural Families	250,000				250,000			0	
129	NC Global Center		250,000			500,000			0	
130	Charlotte/Mecklenburg Development Corporation					1,000,000			0	
131	Stanly/Montgomery County Airport Authorities					250,000			0	
132	NC Community Development Initiative					325,000			0	
133	Southern Piedmont Transit Authority					500,000			0	
134	Land Loss Prevention Project	350,000				350,000			350,000	
135	Town of Chadbourn - Emergency Repairs					500,000			0	
136	Yadkin/Pee Dee Lakes Project					150,000			150,000	
137	Minority Support Center	375,000				375,000			375,000	
138	Center for Community Self-Help					1,000,000			0	
139	Technological Development Authority					3,500,000			3,500,000	
140	Care Trak System Funds								141,400	
141	4-H/Eastern Ag Livestock Arena		600,000			600,000			600,000	
142	NC Institute of Minority Economic Development	1,000,000				1,000,000			1,000,000	
143	William States Lee Leadership Institute		3,000,000			2,000,000			0	
144	Duplin Multi-Purpose Center Funds					250,000			0	
145	Jones Economic Development Funds					200,000			0	
146	World Trade Center		300,000						0	
147	Textile Museum								100,000	
	Sub-Total State Aid	1,975,000	4,150,000		-	12,750,000		-	6,216,400	0.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

Governor's				Senate			House			
Recommendations				Final Budget			Recommendations			
Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	
MCNC										
148 Administrative Reduction	(30,750)						0			
149 Temporary Operating Support		2,030,750						0		
150 Increase and Adjust Final Year of State Funding				(2,500,000)	4,500,000		0	0		
151 Reallocate Final Year Funding							(2,500,000)	2,500,000		
Sub-Total MCNC	(30,750)	2,030,750		(2,500,000)	4,500,000		(2,500,000)	2,500,000	0.0	
NC Biotechnology Center										
152 Administrative Reduction	(25,483)			(25,483)			(25,483)			
153 NC Bioscience Investment Fund, L.L.C					2,500,000			0		
Sub-Total Biotech	(25,483)	-		(25,483)	2,500,000		(25,483)	-	0.0	
REDC										
154 Administrative Reduction	(12,662)			(12,662)			(12,662)			
155 Supplemental Funding Program	2,825,000	1,000,000			3,565,000			8,000,000		
156 Capacity Grants Program	200,000				200,000			200,000		
157 Research and Demonstration Grants Program								50,000		
158 Administration – Supplemental & Capacity	125,000				60,000			0		
159 NC Association of CDC's	200,000				200,000			200,000		
160 Administration – General							150,000			
Sub-Total REDC	3,337,338	1,000,000		(12,662)	4,025,000		137,338	8,450,000	0.0	
SIPS										
161 IRM Positions Shift to Receipts	(263,791)		(4.0)	(271,530)		(4.0)	(271,530)		(4.0)	
162 Continue and Expand NC Information Highway		6,143,160			6,143,160			6,143,160		
Sub-Total SIPS	(263,791)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)	
GRAND TOTAL - NER	22,161,916	91,076,835	185.5	1,091,823	73,030,498	77.5	(2,297,259)	45,414,816	38.0	

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES

July 14, 1998

The House Appropriations Subcommittee on Natural and Economic Resources met at 8:30 a.m. on July 14, 1998 in Room 643 in the Legislative Office Building. Representative Baker presided and the following members were present: Representatives Mitchell and Carpenter, Cochairmen; Representatives Allen, Culp, Fox, Hall, H. Hunter, Owens, Tolson, and Weatherly. Staff Counsel Mark Trogden, Jennifer Herrera, Mona Moon and Jennifer Hoffman were present to assist the committee. Visitor registration sheet is attached and made part of the minutes.

Chairman Baker called the committee to order and recognized the pages.

Chairman Baker recognized Marvin Dorman from the State Budget Office spoke about \$720,000 in the budget. After being involved in several meeting, it was his opinion the money should be split equally between Health and Human Services and ENR, giving each \$360,000 and let each department decide how to best use their funds. The Chairs and staff had also reviewed this issue and felt that was appropriate.

Chairman Baker told committee members that the Co-Chairs met last night and made some adjustments so that the budget would total our allotted amount. Adjustments were made to Items 1, 93, 118 and 159 of Attachment # 1.

Chairman Baker asked staff to review the special provisions shown in Attachment #2. Staff indicated that some minor technical errors were on this draft and a corrected copy would be placed in the notebooks this afternoon.

The following items were covered:

Page 1 - 2 NER BLOCK GRANTS. Representative Owens questioned the funding on this item. He asked Bill McNeill from the Department of Commerce to speak on Block Grants. Mr. McNeill spoke on the need for additional funds. Rep. Owens made a motion to change the amount in view of Mr. McNeill's comments. Chairman Baker did not recognize the motion as no votes would be taken on any of the items today.

Page 3 - HOUSING TRUST FUND/FUNDS FOR AFFORDABLE HOUSING FOR ELDERLY.

Page 4 - GUIDELINES FOR GRANTS FOR LOCAL AGRICULTURAL FAIRS

Page 5 - ANIMAL WASTE MANAGEMENT EQUIPMENT GRANTS FOR FAMILY-OWNED DAIRIES

Page 6 - ASSISTANCE FOR SMALL, FAMILY FARMS.

Page 7 - GRANTS FOR LOCAL FARMERS MARKETS.

Page 8 - LOAN PROGRAM FOR SMALL, FAMILY-OWNED FARMS.

Page 9 - SPECIAL RESERVE FUNDS FOR CERTAIN AGRICULTURAL CENTERS.

Page 10 - UMSTEAD ACT EXEMPTION FOR DEPARTMENT AGRICULTURAL CENTERS AND LIVESTOCK FACILITIES.

Page 11 - 12 - MARINE FISHERIES APPEALS PANEL/ROTATE MEETING LOCATIONS.

Page 13 - FISHERY MANAGEMENT PLANS/REGIONAL ADVISORY COMMITTEE.

Page 14 - UP ADMINISTRATIVE CAP FOR FISHERY RESOURCE GRANT PROGRAM.

Page 15 - GRASSROOTS SCIENCE PROGRAM.

Page 16 - ENVIRONMENTAL EDUCATION GRANTS.

Page 17 - PARKS AND RECREATION/NATURAL HERITAGE TRUST FUNDS REPORTING REQUIREMENTS.

Page 18 - NEUSE AND TAR-PAMLICO RIVER BASIN ASSISTANCE.

Page 19 - 21 - EXTEND AND EXPAND ENVIRONMENTAL HEALTH PROGRAMS STUDY.

Page 22 - AMEND REQUIREMENTS FOR ABANDONED WELLS.

Page 23 - CLEAN WATER MANAGEMENT TRUST FUND/WATER QUALITY MONITORING.

Page 24 - STATE MATCH FOR FEDERAL WATER SUPPLY AND WASTEWATER ASSISTANCE FUNDS.

Page 25 - NITROGEN LIMITS APPLY ONLY IF NITROGEN IS NUTRIENT OF CONCERN.

Page 26 - TAR-PAMLICO RIVER BASIN/RULE CORRECTION.

Page 27 - PROGRESS REPORTS/ISOTOPE STUDY TO IDENTIFY SOURCES OF NITROGEN IN NEUSE AND CAPE FEAR RIVER BASINS.

Page 28 - PROGRESS REPORTS/ALTERNATIVE ANIMAL WASTE TECHNOLOGIES STUDY.

Page 29 - CHATHAM FUNDS FOR LOW-LEVEL RADIOACTIVE WASTE SITING.

Page 30 - 32 - OREGON INLET STABILIZATION STUDY COMMISSION.

Page 33 - 35 - STATEWIDE BEAVER DAMAGE CONTROL PROGRAM FUNDS.

Page 36 - 37 - REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS.

Page 38 - MARKETING OF GLOBAL TRANSPARK BY DEPARTMENT OF COMMERCE.

Page 39 - 40 - HISTORIC WATERFRONT REVITALIZATION.

Page 41 - 44 - COMPETITIVE GOVERNMENT INITIATIVE.

Page 45 - RURAL TOURISM DEVELOPMENT GRANT PROGRAM.

Page 46 - GREAT SMOKY MOUNTAINS SPECIAL LICENSE PLATE.

Page 47 - 48 - WORKER TRAINING TRUST FUND APPROPRIATIONS.

Page 49 - YEAR 2000 CLARIFICATIONS.

Page 50 - 51 - NORTH CAROLINA INFORMATION HIGHWAY.

Page 52 - NORTH CAROLINA INSTITUTE OF MINORITY ECONOMIC DEVELOPMENT, INC./REPORT

Page 53 - LAND LOSS PREVENTION PROJECT, INC./REPORT

Page 54 - NC MINORITY SUPPORT CENTER/REPORT .

Page 55 - 56 - MCNC

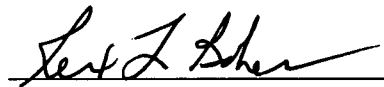
Page 57 - 60 - RURAL ECONOMIC DEVELOPMENT CENTER.

Chairman Baker told members of the committee to see staff if they wished to sign on to any of the provisions that were covered today.

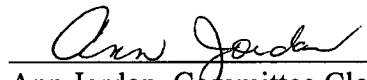
After members had asked staff to further explain some of the provisions, Chairman Baker recognized Rep. Culp for another special provision (See attachment #3). After Rep. Culp explained the provision, Chairman Baker said the chairs would take the matter under consideration.

Chairman Baker also asked committee members to be on standby this afternoon for a possible meeting after session.

The meeting adjourned at 9:35 a.m.



Representative Rex Baker, Chairman



Ann Jordan, Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 14, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Doug Lassiter	NC Septic Tank Assoc
John Lammie	TDA
Becky Brown	Labor
Dana Cope	"
Berry Hancock	EGHS
Jean Crusklin	REDC
Buck LATTIMORE	NC INDUSTRIAL Commission
Jane Brodton	UNC-GA) NCSU Ag Program
Steve Woodson	NC Farm Bureau Federation
Ronnie Brittain	Carolina Hosiery Assoc.
Kenneth Wofford	Ellis Hosiery Mills, Inc
Dan ST. Louis	The Hosiery Technology Center of NC
Pip McNeil	NC Division of Community Assistance
Gloria Narasim	McDiv. Community Assistance
Justin Terry Cole	Commerce,
Katie Adams	CCNC
Aisa Tolley	DIENK - office of Environmental Education
Lori Ann Harris	Samford Holshour
Lincoln Sewall	DEH
Raquel Whitey	Parker POC

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 14, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

[illegible]

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Housing Finance Agency									
1	Housing Trust Fund	-	2,000,000			2,000,000			2,000,000	
	Sub-Total HFA	-	2,000,000		-	2,000,000		-	2,000,000	0.0
	Department of Agriculture and Consumer Services									
2	Automated Information and Technical Support	306,628		3.0	151,522	155,106	3.0	151,522	155,106	3.0
3	Animal Waste, Soil and Plant Testing				271,668	144,600	4.0	271,668	144,600	4.0
4	Farmland Preservation Trust Fund					500,000			0	
5	Department Wide - Receipts Adjustments	(210,600)			(210,600)			(210,600)		
6	Albemarle Farmers' Market					50,000			0	
7	Jacksonville-Onslow Farmers' Market					50,000			0	
8	Seafood and Aquaculture Marketing	300,000				300,000			0	
9	Goodness Grows in NC					200,000			200,000	
10	Structural Pest Control Program Improvements				262,650	80,350	7.0	262,650	80,350	7.0
11	Small, Family Farms (Marketing/Promotion)								50,000	
12	Small, Family-Owned Farms Loan Program								1,500,000	
13	Small, Family Dairy Farm Grants								1,500,000	
14	Pseudorabies Eradication								150,000	
15	Pesticide/Food Lab Funds							442,095	290,000	10.0
16	Local Agricultural Fairs Grant Funds								150,000	
17	Local Farmers' Markets Grant Funds								200,000	
	Sub-Total Ag	396,028	-	3.0	475,240	1,480,056	14.0	917,335	4,420,056	24.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

Governor's				Senate			House			
Recommendations				Final Budget			Recommendations			
Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	
Department of Labor										
18 Office Equipment for Move to Old Revenue Building	-	-		-	190,000			190,000		
19 Information Highway site								30,000		
Sub-Total Labor	-	-		-	190,000		-	220,000	0.0	
Department of Environment and Natural Resources										
20 Controller's Office - Reduce Salary Reserve	(5,053)			(5,053)			(5,053)			
21 Executive Offices - Eliminate Vacant Position	(82,134)		(1.0)	(82,134)		(1.0)	(82,134)		(1.0)	
22 Conservation Tax Credit Program and Grant Funds	194,677	113,500	2.0	149,990	206,500	1.0	0	0		
23 General Services - Reduce Salary Reserve	(10,000)			(10,000)			(10,000)			
24 Regional Offices - Reduce Operating Funds	(31,416)			(31,416)			(31,416)			
25 Forestry - Improve Efficiency and Computer Technology	(311,034)			(311,034)			(311,034)			
26 Forestry - Insurance for CL-215		160,000			160,000			116,000		
27 Forestry - District 12 Helicopter Funds				167,860		2.0	167,860		2.0	
28 DMF - Reduce Operating Support	(130,000)			(130,000)			(130,000)			
29 DMF - License Administration Funds	246,088		6.0	246,088		6.0	246,088		6.0	
30 DMF - Staff Support for Appeals Review	29,738	3,800	1.0	29,738	3,800	1.0	0	0		
31 DMF - Fisheries Management Plans	1,604,496		26.0	540,158	142,500	10.0	540,158	142,500	10.0	
32 DMF - Coastal Habitat Protection Plans	263,304		5.0	160,170	15,300	3.0	160,170	15,300	3.0	
33 DMF - Information Technology Funds	1,142,278	452,453	2.0	72,223	1,492,508	2.0		1,000,000		
34 Museum - Reduce Supplies	(39,513)			(39,513)			(39,513)			
35 Museum - Additional Funds for Grassroots Science					3,250,000		35,000			
36 Zoo - Adjust Equipment/Vehicle Replacement Schedule	(133,079)			(133,079)			(133,079)			
37 Environmental Education - Grant Funds		350,000			200,000			200,000		
38 Parks - Increase Receipts	(100,000)			(100,000)			(100,000)			
39 Parks - Expand Natural Heritage Program	216,737	26,300	4.5	216,737	26,300	4.5		250,000		
40 Parks - Adopt-a-Trail Program					100,000			0		

BUDGET COMPARISONS										
NATURAL AND ECONOMIC RESOURCES										
		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
41	DSWC -Technical Assistance for Animal Waste	(185,445)		(5.5)	(185,445)		(5.5)	(185,445)		(5.5)
42	DSWC - Ag Cost Share Program		3,500,000			1,000,000			500,000	
43	DSWC - Soil and Water District Travel Funds	150,000				50,000			50,000	
44	Air Quality - Reduce Operating Support	(14,892)			(14,892)			(14,892)		
45	Coastal - Reduce Operating Support	(30,004)			(30,004)			(30,004)		
46	Coastal - Chevron/OCS Response	137,559	260,000	2.0		367,023	1.0	0	0	
47	DEH - Reduce Staff and Operating Support	(72,210)		(0.5)	(72,210)		(0.5)	(72,210)		(0.5)
48	DEH - Food Sanitation Training Funds		100,000			100,000			100,000	
49	DEH - Federal Water Supply Assistance Match		2,571,880			2,571,880			special provision	
50	Land Resources - Reduce Operating Support	(42,861)			(42,861)			(42,861)		
51	Land Resources - Sedimentation/Erosion Control	1,789,448	360,282	30.0	338,570	24,000	6.0	282,140	20,000	5.0
52	PPEA - Reduce Pollution Prevention Grants	(24,362)			(24,362)			(24,362)		
53	Waste Management - Eliminate Position	(45,095)		(1.0)	(45,095)		(1.0)	(45,095)		(1.0)
54	DWQ - Operating Support	250,533	749,467		250,533			0	0	
55	DWQ - Basinwide Data Management Initiative	201,000	1,561,830	1.0		500,000		0	0	
56	DWQ - Increase Compliance/Reduce Spills	780,531	60,000	15.0	332,280	28,000	7.0	0	0	
57	DWQ - Groundwater Pollution Prevention & Control	721,479	256,587	12.0	721,479	256,587	12.0	0	0	
58	DWQ - Neuse/Tar-Pam Rapid Response Teams	544,634	226,774	8.0	544,634	226,774	8.0	0	0	
59	DWQ - Water Quality Monitoring	2,068,670	1,827,296	10.0	164,080	2,872,980	4.0		special provision	
60	DWQ - Federal Wastewater Assistance Match		4,860,532			4,860,532			special provision	
61	DWR - Real Time Stream Gauge Data	10,000	170,000		10,000	170,000		10,000	170,000	
62	DWR - Groundwater Resource Management	850,000	15,000	5.0	414,724	386,598	4.0	0	0	
63	Partnership for the Sounds	150,000	150,000		150,000	250,000		0	0	
64	Alternative Animal Waste Technology-NCSU		750,000			750,000			375,000	
65	Neuse Modeling and Monitoring Program		880,000			720,000			0	
66	Upper Neuse River Basin Association					300,000			0	
67	New River Monitoring Funds					50,000			0	
68	Museum of Life & Science (BioQuest)		2,500,000			500,000			0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
69	LLRW - Facility Siting Assistance Funds					100,000			100,000	
70	County Recreational Building					50,000			0	
71	Reduce Contracts and Operating Support - LLRW				(500,000)			(1,123,219)		(10.0)
72	WRC - Beaver Control Program					500,000			500,000	
73	Environmental Education - River Basin Education	85,429	32,500	1.0				0	0	
74	DSWC - Water Basin Positions	107,148	86,500	2.0					150,000	
75	DWQ - Basinwide Enhancement & Implementation	534,957	23,669	10.0				0	0	
76	DEH - Recreational Water Quality Monitoring	622,262	27,000	7.0				0	0	
77	DWR - Stream Watch/Project Wet	45,000		1.0				0		
78	Pfisteria Research		120,000						0	
79	Forestry - Water Quality Foresters	344,286	71,200	7.0				344,286	71,200	7.0
80	DSWC - Ag Cost Share Technical Assistance	1,000,000							200,000	
81	DSWC - Computer Funding	36,000	25,000					36,000	25,000	
82	DEH - Safe Wells	1,514,751	42,000	8.0				0	0	
83	DEH - On-site Wastewater Expansion	549,954	7,240	8.0				0	0	
84	DMF - Enhance Maintenance Section	195,058	17,250	3.0				0	0	
85	DMF - Administrative Support	110,380		4.0				0		
86	Parks - Parks Biologists	208,100	37,000	4.0				208,100	37,000	4.0
87	Parks - Staff and Lifeguards - Falls and Jordan Lakes	224,296	16,365	2.0				0	0	
88	Natural Resources Marketing		750,000						0	
89	Parks - Jocassee Gorges Operations	183,935	162,000	5.0				0	0	
90	Improve Customer Service		50,000						0	
91	DEH - Improve Child Care Sanitation Services	570,434	19,500	3.0				0	0	
92	Oregon Inlet - Sand Study								100,000	
93	Oregon Inlet Stabilization Study Commission								0	
94	DSWC - Junaluska Creek Damage Funds								7,500	
95	Isotope Study - Transfer to NCSU								321,000	
96	Executive Offices - Eliminate Assistant Secretary and Staff							(204,726)		(3.0)
	Sub-Total DENR	16,426,064	23,392,925	186.5	2,752,166	22,231,282	63.5	(555,241)	4,450,500	16.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Department of Commerce									
97	Industrial Recruitment Competitive Fund		5,000,000			3,000,000			1,000,000	
98	Bus/Industry Marketing and Advertising Combined					500,000			500,000	
99	DCA - Upper Coastal Plain COG					150,000			0	
100	DCA - Land Use Planning					250,000			0	
101	Industrial Commission - Reduce Operating Support	(93,322)		(1.0)	(93,322)		(1.0)	(93,322)		(1.0)
102	Industrial Commission - Temporary Positions		100,000			100,000			100,000	
103	Industrial Development - Utility Account		14,000,000			3,000,000			1,000,000	
104	NC ACTS - Reduce Director's Salary	(24,356)			(24,356)			(24,356)		
105	Year of the Mountain Planning Initiative					300,000			0	
106	Special Olympics 1999 World Summer Games		3,400,000			3,000,000			3,000,000	
107	Regional Economic Development Commissions	350,000			350,000			0		
108	North Carolina Progress Board		400,000			400,000			0	
109	Institute for Aeronautical Technology		5,000,000			4,000,000			0	
110	Transfer Boxing Commission				202,770		3.0			
111	Travel - Reduce Printing	(100,000)			(100,000)			(100,000)		
112	Travel - Advertising & Marketing Funds Combined					2,200,000			0	
113	Travel - International Marketing Efforts		1,000,000						800,000	
114	Travel - General Advertising/Marketing		1,000,000						800,000	
115	Travel - Rural Tourism Grant Funds					300,000			100,000	
116	Wanchese - Oregon Inlet Project				339,000	11,000	2.0	0	0	
117	NC Business Court	138,188	135,000		Funded in Senate JPS			To be handled in JPS		
118	Film Office Advertising and Promotion	77,000	400,000	1.0				64,803	0	1.0
119	Travel - US Open		1,000,000						1,000,000	
120	Bus/Industry-Marketing Missions/Trade Shows		250,000						0	
121	Bus/Industry-General Advertising/Marketing		500,000						0	
122	Certified Economic Development Training		25,000						0	

BUDGET COMPARISONS										
NATURAL AND ECONOMIC RESOURCES										
		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
123	Industrial Dev.-Building Renovation/Utility Infrastructure		18,000,000						0	
124	State Development Zones		2,000,000						1,000,000	
125	Global Transpark Marketing		150,000						0	
126	NC Government Competition Commission							218,000	14,700	3.0
127	DCA - Historic Waterfront Revitalization Grant Funds								400,000	
	Sub-Total Commerce	347,510	52,360,000	0.0	674,092	17,211,000	4.0	65,125	9,714,700	3.0
	State Aid to Non-State Entities									
128	NC Coalition of Farm and Rural Families	250,000				250,000			0	
129	NC Global Center		250,000			500,000			0	
130	Charlotte/Mecklenburg Development Corporation					1,000,000			0	
131	Stanly/Montgomery County Airport Authorities					250,000			0	
132	NC Community Development Initiative					325,000			0	
133	Southern Piedmont Transit Authority					500,000			0	
134	Land Loss Prevention Project	350,000				350,000			350,000	
135	Town of Chadbourn - Emergency Repairs					500,000			0	
136	Yadkin/Pee Dee Lakes Project					150,000			150,000	
137	Minority Support Center	375,000				375,000			375,000	
138	Center for Community Self-Help					1,000,000			0	
139	Technological Development Authority					3,500,000			3,500,000	
140	Care Trak System Funds								141,400	
141	4-H/Eastern Ag Livestock Arena		600,000			600,000			600,000	
142	NC Institute of Minority Economic Development	1,000,000				1,000,000			1,000,000	
143	William States Lee Leadership Institute		3,000,000			2,000,000			0	
144	Duplin Multi-Purpose Center Funds					250,000			0	
145	Jones Economic Development Funds					200,000			0	
146	World Trade Center		300,000						0	
147	Textile Museum								100,000	
	Sub-Total State Aid	1,975,000	4,150,000		-	12,750,000		-	6,216,400	0.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

			Governor's			Senate			House		
			Recommendations			Final Budget			Recommendations		
Departments/Agencies			Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
MCNC											
148	Administrative Reduction		(30,750)						0		
149	Temporary Operating Support			2,030,750						0	
150	Increase and Adjust Final Year of State Funding					(2,500,000)	4,500,000		0	0	
151	Reallocate Final Year Funding								(2,500,000)	2,500,000	
	Sub-Total MCNC		(30,750)	2,030,750		(2,500,000)	4,500,000		(2,500,000)	2,500,000	0.0
NC Biotechnology Center											
152	Administrative Reduction		(25,483)			(25,483)			(25,483)		
153	NC Bioscience Investment Fund, L.L.C						2,500,000			0	
	Sub-Total Biotech		(25,483)	-		(25,483)	2,500,000		(25,483)	-	0.0
REDC											
154	Administrative Reduction		(12,662)			(12,662)			(12,662)		
155	Supplemental Funding Program		2,825,000	1,000,000			3,565,000			8,000,000	
156	Capacity Grants Program		200,000				200,000			200,000	
157	Research and Demonstration Grants Program									50,000	
158	Administration -- Supplemental & Capacity		125,000				60,000			0	
159	NC Association of CDC's		200,000				200,000			275,000	
160	Administration -- General								150,000		
	Sub-Total REDC		3,337,338	1,000,000		(12,662)	4,025,000		137,338	8,525,000	0.0
SIPS											
161	IRM Positions Shift to Receipts		(263,791)		(4.0)	(271,530)		(4.0)	(271,530)		(4.0)
162	Continue and Expand NC Information Highway			6,143,160			6,143,160			6,143,160	
	Sub-Total SIPS		(263,791)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)
	GRAND TOTAL - NER		22,161,916	91,076,835	185.5	1,091,823	73,030,498	77.5	(2,232,456)	44,189,816	39.0
	Availability								0		

Att 8

CODE NO. 98COMM-H019-S

Requested by: Representatives Mitchell, Baker, Carpenter

NER BLOCK GRANT FUNDS

1 Section 5.1. (a) Appropriations from federal block
2 grant funds are made for the fiscal year ending June 30, 1999,
3 according to the following schedule:

4
5 COMMUNITY DEVELOPMENT BLOCK GRANT

6		
7	01. State Administration	\$ 980,000
8		
9	02. Urgent Needs and Contingency	1,277,400
10		
11	03. Community Empowerment	2,767,700
12		
13	04. Economic Development	18,522,300
14		
15	05. Community Revitalization	18,522,300
16		
17	06. State Technical Assistance	440,000
18		
19	07. Housing Development	1,490,300
20		
21	TOTAL COMMUNITY DEVELOPMENT	
22	BLOCK GRANT - 1999 Program Year	\$ 44,000,000
23		

24 (b) Decreases in Federal Fund Availability
25 Decreases in federal fund availability for the Community
26 Development Block Grants -- If federal funds are reduced below
27 the amounts specified above after the effective date of this act,
28 then every program in each of these federal block grants shall be
29 reduced by the same percentage as the reduction in federal funds.

30 (c) Increases in Federal Fund Availability for
31 Community Development Block Grant

32 Any block grant funds appropriated by the Congress of
33 the United States in addition to the funds specified in this
34 section shall be expended as follows: -- Each program category
35 under the Community Development Block Grant shall be increased by
36 the same percentage as the increase in federal funds.

37 (d) Limitations on Community Development Block Grant
38 Funds -- Of the funds appropriated in this section for the
39 Community Development Block Grant, the following shall be
40 allocated in each category for each program year: up to nine
41 hundred thousand dollars (\$900,000) may be used for State
42 administration; up to one million two hundred seventy-seven
43 thousand four hundred dollars (\$1,277,400) may be used for Urgent
44 Needs and Contingency; up to two million seven hundred sixty-
45 seven thousand seven hundred dollars (\$2,767,700) may be used for
46 Community Empowerment; up to eight million five hundred sixteen

1 thousand dollars (\$8,516,000) may be used for Economic
2 Development; not less than twenty-eight million five hundred
3 twenty-eight thousand six hundred dollars (\$28,528,600) shall be
4 used for Community Revitalization; up to four hundred forty
5 thousand dollars (\$440,000) may be used for State Technical
6 Assistance; up to one million four hundred ninety thousand three
7 hundred dollars (\$1,490,300) may be used for Housing Development.
8 If federal block grant funds are reduced or increased by the
9 Congress of the United States after the effective date of this
10 act, then these reductions or increases shall be allocated in
11 accordance with subsection (b) or (c) of this section, as
12 applicable.

13 (e) Scattered Sites Program Improvements -- The
14 Department shall implement improvements to the system for
15 distributing Scattered Sites awards in the Community
16 Revitalization category to maximize funding opportunities. The
17 Department shall make changes in the funding cycle for Scattered
18 Sites projects, shall reduce the cap on grants for these projects
19 to three hundred fifty thousand dollars (\$350,000), and shall
20 increase funding allocations by up to fifteen percent (15%) to
21 address outhouses and other critical on-site water/wastewater
22 needs. The Department may adopt temporary rules to implement
23 these changes.

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CODE NO. 98COMM-H007A

Requested by: Representatives Mitchell, Baker, Carpenter

HOUSING TRUST FUND/FUNDS FOR AFFORDABLE HOUSING FOR ELDERLY

1 Sec. @. Funds appropriated in this act to the Housing
2 Finance Agency for the Housing Trust Fund for the 1998-99 fiscal
3 year shall be used exclusively for affordable housing for elderly
4 persons.

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CODE NO. 98AGRIC-H007.01

Requested by: Representatives Mitchell, Baker, Carpenter

GUIDELINES FOR GRANTS FOR LOCAL AGRICULTURAL FAIRS

1 Section @. The Department of Agriculture and Consumer
2 Services shall adopt guidelines for the disbursement of funds
3 appropriated to the Department for the 1997-98 fiscal year for
4 grants for local agricultural fairs.

CODE NO. 98AGRIC-H005

Requested by: Representatives Mitchell, Baker, Carpenter

ANIMAL WASTE MANAGEMENT EQUIPMENT GRANTS FOR FAMILY-OWNED DAIRIES

1 Section @. (a) The funds appropriated in this act to
2 the Department of Agriculture and Consumer Services for the 1998-
3 99 fiscal year for animal waste management equipment grants to
4 farmers of family-owned dairies shall be used for the purchase of
5 equipment that is a component of an animal waste management
6 system and that is used solely for the purpose of transporting,
7 storing, or distributing animal waste. This equipment shall be
8 limited to: pumps, spraying equipment, scrape blades, box blades,
9 storage equipment, and any transport equipment, including tanks,
10 spreaders, and applicators.

11 (b) No funds allocated under this section shall be used
12 to enlarge anaerobic lagoons or for the maintenance of anaerobic
13 lagoons.

14 (c) The Department of Agriculture and Consumer Services
15 shall adopt rules that establish guidelines for disbursing the
16 funds in a fair and equitable manner and any other rules needed
17 to implement this section. Each recipient of grant funds under
18 this section shall enter into a contract with the Department that
19 contains provisions of the loan that are consistent with these
20 guidelines. This contract shall provide for the enforcement of
21 the terms of the contract. This contract shall provide that the
22 recipient continue to operate at the current level of dairy
23 production for a period of at least five years. This contract
24 shall provide that if the recipient reduces the number of dairy
25 cows or ceases operation in fewer than five years, the recipient
26 shall repay the Department of Agriculture and Consumer Services a
27 prorated share of the grant funds received by that recipient.

28 (d) Only dairies with fewer than 300 dairy cows that
29 were in operation prior to January 1, 1998, are eligible for
30 grants under this section.

CODE NO. 98AGRIC-H001

Requested by: Representatives Mitchell, Baker, Carpenter

ASSISTANCE FOR SMALL, FAMILY FARMS

1 Section @. Of the funds appropriated in this act to the
2 Department of Agriculture and Consumer Services for the 1998-99
3 fiscal year, the sum of fifty thousand dollars (\$50,000) shall be
4 used to provide assistance to farmers who operate small, family
5 farms. By March 1, 1999, the Department shall report to the
6 Joint Legislative Commission on Governmental Operations, the
7 Appropriations Subcommittees on Natural and Economic Resources in
8 both the House of Representatives and the Senate, and the Fiscal
9 Research Division on the use of these funds, including the number
10 and geographic location of the small, family farms assisted
11 through this allocation of funds, the type of assistance
12 provided, and any other information or indicators that
13 demonstrate the overall impact of this allocation of funds.

CODE NO. 98AGRIC-H006

Requested by: Representatives Mitchell, Baker, Carpenter

GRANTS FOR LOCAL FARMERS MARKETS

1 Section @. For the funds appropriated in this act to
2 the Department of Agriculture and Consumer Services for the 1998-
3 99 fiscal year for grants to local farmers markets for the
4 purpose of promoting or selling farm products produced by local
5 small, family-owned farms, the Department shall establish
6 guidelines and procedures for disbursing the grants in a fair and
7 equitable manner. A grant to a local farmers market under this
8 section shall not exceed the sum of ten thousand dollars
9 (\$10,000). The Department shall adopt any rules needed to
10 implement this section.

CODE NO. 98AGRIC-H004

Requested by: Representatives Mitchell, Baker, Carpenter

LOAN PROGRAM FOR SMALL, FAMILY-OWNED FARMS

1 Section @. (a) The funds appropriated in this act to
2 the North Carolina Rural Rehabilitation Corporation within the
3 Department of Agriculture and Consumer Services for the 1998-99
4 fiscal year shall be used to make loans to those farmers of
5 small, family-owned farms having financial difficulty as shown by
6 their inability to obtain affordable conventional loans from
7 other sources.

8 (b) Priority for loans from the funds allocated under
9 this section shall be extended for the following small, family-
10 owned farms:

- 11 (1) Dairy farms with fewer than 300 dairy cows.
- 12 (2) Turkey farms that have lost contracts with
13 integrators for reasons not related to having
14 violated environmental laws or rules.
- 15 (3) Swine farms of fewer than 500 swine at any time.
- 16 (4) Peach or apple farms that have lost fifty percent
17 (50%) or more of their fruit crop due to frost or
18 freeze damage.

19 (c) The term of the loans under this section shall not
20 exceed 20 years. These loans shall be provided in accordance
21 with the lending requirements of the North Carolina Rural
22 Rehabilitation Corporation pursuant to Article 2 of Chapter 137
23 of the General Statutes.

24 (d) The Department of Agriculture and Consumer Services
25 shall adopt rules to implement this section.

CODE NO. 98AGRIC-H003-S

Requested by: Representatives Mitchell, Baker, Carpenter

SPECIAL RESERVE FUNDS FOR CERTAIN AGRICULTURAL CENTERS

1 Section 13.2. Article 1 of Chapter 106 of the General
2 Statutes is amended by adding a new section to read:
3 "§ 106-6.2. Create special revenue funds for certain
4 agricultural centers.
5 (a) The Eastern North Carolina Agricultural Center Fund is
6 created within the Department of Agriculture and Consumer
7 Services as a special revenue fund. This Fund shall consist of
8 receipts from the sale of naming rights to any facility located
9 at the Eastern North Carolina Agricultural Center at Williamston,
10 investments earnings on these moneys, and any gifts, bequests, or
11 grants from any source for the benefit of the Eastern North
12 Carolina Agricultural Center. All interest that accrues to this
13 Fund shall be credited to this Fund. Any balance remaining in
14 this Fund at the end of any fiscal year shall not revert. The
15 Department may use this Fund only to promote, improve, repair,
16 maintain, or operate the Eastern North Carolina Agricultural
17 Center.
18 (b) The Southeastern North Carolina Agricultural Center Fund
19 is created within the Department of Agriculture and Consumer
20 Services as a special revenue fund. This Fund shall consist of
21 receipts from the sale of naming rights to any facility located
22 at the Southeastern North Carolina Agricultural Center at
23 Lumberton, investments earnings on these moneys, and any gifts,
24 bequests, or grants from any source for the benefit of the
25 Southeastern North Carolina Agricultural Center. All interest
26 that accrues to this Fund shall be credited to this Fund. Any
27 balance remaining in this Fund at the end of any fiscal year
28 shall not revert. The Department may use this Fund only to
29 promote, improve, repair, maintain, or operate the Southeastern
30 North Carolina Agricultural Center."

CODE NO. 98AGRIC-H002-S

Requested by: Representatives Mitchell, Baker, Carpenter

UMSTEAD ACT EXEMPTION FOR DEPARTMENT AGRICULTURAL CENTERS AND
LIVESTOCK FACILITIES

1 Section 13.3. G.S. 66-58(b) is amended by inserting the
2 following subdivision:

3 "(13d) Agricultural centers or livestock facilities
4 operated by the Department of Agriculture and
5 Consumer Services."

Requested by: Representatives Mitchell, Baker, Carpenter

MARINE FISHERIES APPEALS PANEL/ROTATE MEETING LOCATIONS

- 1 Section 14.2. Section 3(a) of Chapter 576 of the 1993
2 Session Laws, Regular Session 1994, as amended by Section 3 of
3 Chapter 675 of the 1993 Session Laws, Regular Session 1994;
4 subsection (a) of Section 26.5 of Chapter 507 of the 1995
5 Session Laws; Section 7 of S.L. 1997-256; Section 3 of S.L. 1997-
6 347; and Section 6.1 of S.L. 1997-400, reads as rewritten:
7 "(d) During the moratorium, there shall be an Appeals Panel to
8 consider license applications for new licenses.
- 9 (1) The Appeals Panel shall consist of the Fisheries
10 Director, the Chairman of the Marine Fisheries
11 Commission, and one other person selected by the
12 Cochairs of the Joint Legislative Commission on
13 Seafood and Aquaculture to review hardship or
14 emergency license cases.
- 15 (2) The Marine Fisheries Commission shall adopt
16 temporary rules to govern the operation of the
17 Appeals Panel. The Appeals Panel is exempt from
18 the provisions of Article 3 of Chapter 150B of the
19 General Statutes. Decisions of the Appeals Panel
20 shall be subject to judicial review under the
21 provisions of Article 4 of Chapter 150B of the
22 General Statutes.
- 23 (3) The Appeals Panel may grant a license if it finds
24 that the denial of the license application would
25 create an emergency or hardship on the individual
26 or the State. In no event shall the Appeals Panel
27 grant a license when the total number of licenses
28 in the specific category would exceed the number of
29 licenses in effect on June 30, 1994.
- 30 (4) The Appeals Panel may grant an emergency temporary
31 license due to death, illness, or incapacity, for a
32 period not to exceed 30 days. Emergency temporary
33 licenses shall be limited to vessel crab licenses
34 authorized under G.S. 113-153.1(d).
- 35 (5) Beginning in July 1998, the Appeals Panel shall
36 rotate the location of its meetings among the three
37 districts of the State in the following order:
38 Northeastern district, Central district, Southern
39 district, Central district, Northeastern district,

1 Central district, Southern district. The order of
2 rotation is arranged so that the meeting location
3 for every other meeting is in the Central district
4 of the State. The meeting location for July 1998
5 shall be in the Northeastern district of the State
6 and the rotation of the meeting locations shall
7 continue as provided by this subdivision.
8 If an applicant who is appealing a licensing
9 decision in accordance with this section requests
10 in writing that the Appeals Panel schedule the
11 person's hearing when it meets in that person's
12 home district, the Appeals Panel shall calendar
13 that person's hearing for his or her home district
14 as requested."

CODE NO. 98ENV-H007-S

Requested by: Representatives Mitchell, Baker, Carpenter

FISHERY MANAGEMENT PLANS/REGIONAL ADVISORY COMMITTEE

1 Section 14.3. G.S. 113-182.1(c) reads as rewritten:
2 "(c) ~~To assist in the development of each Fishery Management~~
3 ~~Plan, the~~ The Chair of the Marine Fisheries Commission shall
4 ~~appoint an Advisory Council.~~ a fishery management plan advisory
5 committee for each Fishery Management Plan that is being
6 developed. Each ~~Advisory Council~~ fishery management plan
7 advisory committee shall be composed of commercial fishermen,
8 recreational fishermen, and scientists, all with expertise in the
9 fishery for which the Fishery Management Plan is being developed.
10 The fishery management plan advisory committees, along with the
11 regional advisory committees established under G.S. 143B-289.57,
12 shall assist the Department and the Marine Fisheries Commission
13 in the development of all aspects of the Fishery Management
14 Plans, including the development of preservation management
15 measures."

CODE NO. 98ENV-H004A

Requested by: Representatives Preston, Mitchell, Baker,
Carpenter, Redwine

UP ADMINISTRATIVE CAP FOR FISHERY RESOURCE GRANT PROGRAM

1 Section @. Section 5 of Chapter 633 of the 1995 Session
2 Laws, Regular Session 1996, reads as rewritten:
3 "Sec. 5. Funds appropriated to the Department of ~~Environment,~~
4 ~~Health,~~ Environment and Natural Resources for the Fishery
5 Resource Grant Program under Section 2 of Chapter 324 of the 1994
6 Session Laws shall be transferred to the Board of Governors of
7 The University of North Carolina for the Sea Grant College
8 Program to administer the Fishery Resource Grant Program. The
9 Sea Grant College Program may use up to ~~twenty-five thousand~~
10 ~~dollars (\$25,000)~~ seventy-five thousand dollars (\$75,000) for
11 administrative expenses relating to the Fishery Resource Grant
12 Program."

CODE NO. 98NATRES-H003-S

Requested by: Representatives Mitchell, Baker, Carpenter

GRASSROOTS SCIENCE PROGRAM

1 Section @. Section 15.1 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 15.1. Funds appropriated in this act for the
4 Grassroots Science Program shall be allocated as grants-in-aid as
5 follows:

	1997-98	1998-99
6		
7		
8 Iredell County Children's Museum	\$56,500	\$50,000
9 Museum of Coastal Carolina	\$66,750	\$50,000
10 Rocky Mount Children's Museum	\$109,750	\$50,000
11 Imagination Station	\$111,000	\$50,000
12 Western North Carolina Nature Center	\$130,750	~~\$15,000~~ <u>\$50,000</u>
13 The Health Adventure Museum		
14 of Pack Place Education,		
15 Arts and Science Center, Inc.	\$162,500	\$35,000
16 Cape Fear Museum	\$188,500	\$50,000
17 Catawba Science Center	\$190,500	\$50,000
18 Sci Works Science Center and		
19 Environmental Park of		
20 Forsyth County	\$231,000	\$50,000
21 Natural Science		
22 Center of Greensboro	\$333,000	\$50,000
23 Schiele Museum of Natural History	\$383,750	\$50,000
24 North Carolina Museum of		
25 Life and Science	\$398,750	\$50,000
26 Discovery Place	\$887,250	\$50,000
27		
28 TOTAL	\$3,250,000	~~\$600,000~~ <u>\$635,000</u>
29 Discovery Place may use up to one hundred thousand dollars		
30 (\$100,000) of the funds allocated to it in the 1997-98 fiscal		
31 year to study the feasibility of an expansion of Discovery		
32 Place."		

CODE NO. 98ENV-H010-S

Requested by: Representatives Mitchell, Baker, Carpenter

ENVIRONMENTAL EDUCATION GRANTS

1 Section 14.5. (a) Of the two hundred thousand dollars
2 (\$200,000) appropriated in this act to the Department of
3 Environment and Natural Resources for the 1998-99 fiscal year for
4 environmental education grants, up to fifty thousand dollars
5 (\$50,000) may be used by the Department for the 1998-99 fiscal
6 year for the costs of administering the environmental education
7 grants. The remainder of these funds shall be used to provide
8 grants to promote environmental education throughout the State.
9 Grants under this section may be awarded to:

10 (1) Schools, community organizations, and environmental
11 education centers for the development of
12 environmental education library collections; or
13 (2) School groups for field trips to environmental
14 education centers across the State, provided the
15 activities of the field trip are correlated with
16 the Department of Public Instruction's curriculum
17 objectives.

18 (b) The Department shall report to the Joint
19 Legislative Commission on Governmental Operations, the
20 Environmental Review Commission, and the Fiscal Research Division
21 by January 1, 1999, and again by July 1, 1999, on the grant
22 program. The report shall include a list of amounts awarded and
23 project descriptions for each grant recipient.

CODE NO. 98NATRES-H002-S

Requested by: Representatives Mitchell, Baker, Carpenter

PARKS AND RECREATION/NATURAL HERITAGE TRUST FUNDS REPORTING REQUIREMENTS

1 Section 14.6. (a) G.S. 113-44.15(c) reads as
2 rewritten:

3 "(c) The North Carolina Parks and Recreation Authority shall
4 ~~report on an annual basis no later than October 1 of each year to~~
5 ~~the Joint Legislative Commission on Governmental Operations, the~~
6 ~~appropriations committees of the House of Representatives and the~~
7 ~~Senate, and House and Senate Appropriations Subcommittees on~~
8 ~~Natural and Economic Resources, the Fiscal Research Division~~
9 ~~Division, and the Environmental Review Commission on allocations~~
10 ~~from the Trust Fund. Fund from the prior fiscal year. The~~
11 ~~Authority also shall provide a progress report no later than~~
12 ~~March 15 of each year to the same recipients on the activities of~~
13 ~~and the expenditures from the Trust Fund for the current fiscal~~
14 ~~year."~~

15 (b) G.S. 113-77.9(e) reads as rewritten:

16 "(e) The Secretary shall maintain and ~~annually~~ revise twice
17 each year a list of acquisitions made pursuant to this Article.
18 The list shall include the acreage of each tract, the county in
19 which the tract is located, the amount paid from the Fund to
20 acquire the tract, and the State department or division
21 responsible for managing the tract. The Secretary shall furnish a
22 copy of the list to each ~~Trustee and to each House of the General~~
23 ~~Assembly~~ Trustee, the Joint Legislative Commission on
24 Governmental Operations, the House and Senate Appropriations
25 Subcommittees on Natural and Economic Resources, the Fiscal
26 Research Division, and the Environmental Review Commission within
27 30 days after each revision."

CODE NO. 98ENV-H020

Requested by: Representatives Mitchell, Baker, Carpenter

NEUSE AND TAR-PAMLICO RIVER BASIN ASSISTANCE

1 Section @. The Department of Environment and Natural
2 Resources shall provide progress reports on an initiative by the
3 Division of Soil and Water Conservation to assist local Soil and
4 Water Conservation Districts in the Neuse and Tar-Pamlico River
5 Basins in targeting and tracking nutrient reduction efforts of
6 agriculture operations, as well as evaluating the cost
7 effectiveness of best management practices. The Department shall
8 report on the activities and accomplishments of this initiative
9 by January 15 and April 15, 1999 to the House and Senate
10 Appropriations Subcommittees on Natural and Economic Resources
11 and the Fiscal Research Division.

Requested by: Representatives Mitchell, Baker, Carpenter

EXTEND AND EXPAND ENVIRONMENTAL HEALTH PROGRAMS STUDY

1 Section 14.9. (a) Section 11A.127 of S.L. 1997-443
2 reads as rewritten:

3 "Section 11A.127. Pending ~~the results of~~ action by the General
4 Assembly on the recommendations of the Environmental Review
5 Commission resulting from the study to be undertaken by the
6 Environmental Review Commission as provided in this Part, on-site
7 wastewater functions, public drinking water programs, and
8 environmental health programs shall remain in the Department of
9 Environment and Natural Resources, the Division of Environmental
10 Health, shall remain intact in the Department of Environment and
11 Natural Resources, and the Department of Environment and Natural
12 Resources shall not consolidate on-site wastewater functions or
13 drinking water programs in the Division of Water Quality."

14 (b) Section 11A.128 of S.L. 1997-443 reads as
15 rewritten:

16 "Section 11A.128. The Environmental Review Commission shall
17 study the following issues and report its findings to the ~~1997~~
18 ~~General Assembly, Regular Session 1998,~~ 1999 General Assembly,
19 along with any legislation it proposes to address these issues:

- 20 (1) The appropriate roles and financing of local and
21 state agencies in reviewing, permitting,
22 inspecting, and monitoring private wells, community
23 wells, municipal wells, and municipal surface water
24 supplies;
- 25 (2) The appropriate roles and financing of local and
26 State agencies in reviewing, permitting,
27 inspecting, monitoring, and maintaining septic
28 tanks, package wastewater treatment plants,
29 municipal wastewater treatment plants, industrial
30 treatment plants, and animal waste operations;
- 31 (3) The appropriate roles and financing of local and
32 State agencies in administering the various
33 environmental health programs;
- 34 (4) The integration of State's review of the financial
35 integrity of applicants for drinking water and
36 wastewater discharge permits;
- 37 (5) Policies to monitor the quality and prevent and
38 reduce pollution of groundwaters;

1 (6) Consistent State policies for cleaning up
2 contaminated groundwater and soils;
3 (7) Coordination of adoption and development of
4 policies by the Coastal Resources Commission,
5 Environmental Management Commission, Commission on
6 Health Services, Marine Fisheries Commission, and
7 other commissions having roles in water quality or
8 wastewater issues;
9 (8) Policies to monitor the quality and prevent and
10 reduce pollution of surface waters;
11 (9) Organization of the State's water planning
12 agencies;
13 (10) Technical and financial assistance to business,
14 industry, local governments, and citizens;
15 (11) Policies to encourage water conservation;
16 (12) Policies to encourage regional water supply and
17 wastewater treatment planning; and
18 (13) The role of the North Carolina Cooperative
19 Extension Services, North Carolina Department of
20 Agriculture, and the North Carolina Department of
21 Transportation in the protection of water supplies;
22 supplies; and
23 (14) The organization, functions, powers, and duties of
24 the various boards, commissions, and councils
25 having jurisdiction over environmental, public
26 health, and natural resources programs, including
27 whether those functions, powers, and duties should
28 be consolidated in a single commission."
29 (c) Section 11A.129 of S.L. 1997-443 reads as
30 rewritten:
31 "Section 11A.129. The Secretary of Health and Human Services
32 may reorganize the Department of Health and Human Services in
33 accordance with G.S. 143B-10 and shall report as required by that
34 section. In addition, the Department of Health and Human
35 Services shall do the following:
36 (1) Report to the Joint Legislative Commission on
37 Governmental Operations by December 31, 1997, on
38 the Department's progress in incorporating health
39 functions and agencies into the Department;
40 (2) Report to the General Assembly by ~~May 1, 1998~~, 1
41 February 1999 on additional changes, including
42 proposed legislation necessary to effectuate the
43 purposes of this Part including the findings of the
44 Environmental Review Commission's ~~study~~ study;

- 1 (3) Report to the Joint Legislative Commission on
2 Governmental Operations by ~~October 31, 1998~~, 1
3 February 1999 on any proposed changes in the
4 Department's structure of boards and commissions
5 not already implemented as a result of the
6 Environmental Review Commission's study or
7 necessary to effectuate the purposes of this Part
8 and to deliver services more efficiently; and
9 (4) Report to the General Assembly by February 1, 1999,
10 on the Department's progress in adopting any rule
11 changes necessary to effectuate the purposes of
12 this Part and any proposed legislation necessary to
13 change the structure of any boards and commissions
14 as reported to the Joint Legislative Commission on
15 Governmental Operations."

Requested by: Representative Baker

AMEND REQUIREMENTS FOR ABANDONED WELLS

- 1 Section @. (a) G.S. 87-88(k) reads as rewritten:
2 "(k) Abandonment of Wells. --
3 (1) Temporary Abandonment: When any well is temporarily
4 removed from service, the top of the well shall be
5 sealed with a water-tight cap or seal.
6 (2) Permanent Abandonment: ~~Any~~ Subject to subsection
7 (k1) of this section, any well that is to be
8 permanently abandoned shall be filled, plugged, or
9 sealed in such a manner as to prevent the well from
10 being a channel allowing the vertical movement of
11 water and a source of contamination of the
12 groundwater supply. sealed with a water-tight cap
13 or seal."
14 (b) G.S. 87-88 is amended by adding a new subsection to
15 read:
16 "(k1) The Department shall give written notice pursuant to
17 G.S. 1A-1, Rule 4 to the owner of a permanently abandoned well
18 when the well presents a clear threat to public safety or is
19 contaminating groundwater. If the well owner does not take
20 remedial action within 90 days from the date of service of the
21 notice, the well owner is required to fill, plug, or seal the
22 abandoned well in such a manner as to prevent the well from being
23 a channel allowing the vertical movement of water, a source of
24 contamination of the groundwater, and a threat to public safety."

CODE NO. 98ENV-H005

Requested by: Representatives Mitchell, Baker, Carpenter

CLEAN WATER MANAGEMENT TRUST FUND/WATER QUALITY MONITORING

1 Section @. For the 1998-99 fiscal year, of the funds
2 reserved under G.S. 143-15.3B to the Clean Water Management Trust
3 Fund, the State Controller shall transfer the sum of one million
4 dollars (\$1,000,000) to the Department of Environment and Natural
5 Resources to expand ambient water quality monitoring efforts
6 across the State and to increase the monitoring of flow and
7 nutrient data in the coastal river basins through the use of
8 automated monitors.

CODE NO. 98ENV-H017

Requested by: Representatives Mitchell, Baker, Carpenter

STATE MATCH FOR FEDERAL WATER SUPPLY AND WASTEWATER ASSISTANCE FUNDS

1 Section @. For the 1998-99 fiscal year, of the funds
2 reserved under G.S. 143-15.3B to the Clean Water Management Trust
3 Fund, the State Controller shall transfer the sum of seven
4 million four hundred thirty-two thousand four hundred twelve
5 dollars (\$7,432,412) to the Department of Environment and Natural
6 Resources to be allocated as follows:

7 (1) The sum of \$4,860,352 shall be used for the twenty
8 percent (20%) State match required to receive
9 federal wastewater assistance funds for revolving
10 construction loans and other assistance as set
11 forth in Chapter 159G of the General Statutes. The
12 funds allocated under this section shall be
13 deposited in the State Revolving Water Fund account
14 of the Clean Water Pollution Control Revolving
15 Fund.

16 (2) The sum of \$2,571,880 shall be used for the twenty
17 percent (20%) State match required to receive
18 federal water supply assistance funds for revolving
19 construction loans and other assistance as set
20 forth in Title I, section 130 of the federal Safe
21 Drinking Water Act Amendments of 1996. The funds
22 allocated under this section are to be deposited in
23 a State fund that is available from year to year
24 for the purpose of providing revolving loans and
25 grants to local government units for water supply
26 assistance.

27

CODE NO. 98ENV-H009

Requested by: Representatives Mitchell, Baker, Carpenter

NITROGEN LIMITS APPLY ONLY IF NITROGEN IS NUTRIENT OF CONCERN

1 Section @. G.S. 143-215.1(c1) reads as rewritten:
2 "(c1) Any person who is required to obtain an individual
3 wastewater permit under this section for a facility discharging
4 to the surface waters of the State that have been classified as
5 nutrient sensitive waters (NSW) under rules adopted by the
6 Commission where nitrogen is designated by the Commission as a
7 nutrient of concern shall not discharge more than an average
8 annual mass load of total nitrogen than would result from a
9 discharge of the permitted flow, determined at the time the
10 Commission makes a finding that those waters are experiencing or
11 are subject to excessive growth of microscopic or macroscopic
12 vegetation, having a total nitrogen concentration of five and
13 one-half milligrams of nitrogen per liter (5.5 mg/l). The total
14 nitrogen concentration of 5.5 mg/l for nutrient sensitive waters
15 required by this subsection applies only to:
16 (1) Facilities that were placed into operation prior to
17 1 July 1997 or for which an authorization to
18 construct was issued prior to 1 July 1997 and that
19 have a design capacity to discharge 500,000 gallons
20 per day or more.
21 (2) Facilities for which an authorization to construct
22 is issued on or after 1 July 1997."

CODE NO. 98ENV-H008-S

Requested by: Representatives Mitchell, Baker, Carpenter

TAR-PAMLICO RIVER BASIN/RULE CORRECTION

1 Section 14.11. The Environmental Management Commission
2 may adopt a temporary rule pursuant to G.S. 150B-21.1 to provide
3 that the boundaries of a WS-IV watershed protected area are
4 measured by linear miles rather than "river miles" (as the river
5 flows) if the Environmental Management Commission finds that the
6 permanent rule being amended was approved by the Rules Review
7 Commission in the 1997-98 fiscal year, the local governments
8 affected by the rule inadvertently chose "river miles" rather
9 than linear miles based on a misunderstanding of the different
10 effects of the two measurement choices, and the public interest
11 would be served by changing the method of measurement. The
12 temporary rule shall become effective at the same time as the
13 rule it amends.

14

CODE NO. 98ENV-H014.01

Requested by: Representatives Mitchell, Baker, Carpenter

PROGRESS REPORTS/ISOTOPE STUDY TO IDENTIFY SOURCES OF NITROGEN IN
NEUSE AND CAPE FEAR RIVER BASINS

1 Section @. The Primary Investigator or Researcher
2 receiving funding from funds appropriated in this act to the
3 Department of Environment and Natural Resources for the 1998-99
4 fiscal year for the isotope study to identify sources of nitrogen
5 in the waters of the Neuse and Cape Fear River Basins shall
6 satisfy the same reporting requirements as those set forth in
7 Section 15.10 of S.L. 1997-443 for all the agriculture waste
8 research reports.

CODE NO. 98ENV-H012-S

Requested by: Representatives Mitchell, Baker, Carpenter

PROGRESS REPORTS/ALTERNATIVE ANIMAL WASTE TECHNOLOGIES STUDY

1 Section 14.13. The Primary Investigator or Researcher
2 receiving funding from funds appropriated in this act to the
3 Department of Environment and Natural Resources for the 1998-99
4 fiscal year for the study of alternative animal waste
5 technologies shall satisfy the same reporting requirements as
6 those set forth in Section 15.10 of S.L. 1997-443 for all the
7 agriculture waste research reports.

CODE NO. 98ENV-H013-S

Requested by: Representatives Mitchell, Baker, Carpenter

CHATHAM FUNDS FOR LOW-LEVEL RADIOACTIVE WASTE SITING

1 Section 14.17. Of the funds appropriated to the
2 Department of Environment and Natural Resources in this act, the
3 sum of one hundred thousand dollars (\$100,000) shall be used to
4 reimburse Chatham County for the unreimbursed costs to Chatham
5 County for providing technical assistance regarding the site
6 selection of a low-level radioactive waste facility pursuant to
7 Chapter 104G of the General Statutes and for other expenses
8 incurred by Chatham County related to licensing and siting a low-
9 level radioactive waste facility.

CODE NO. 98ENV-H015-S

Requested by: Representatives Mitchell, Baker, Carpenter

OREGON INLET STABILIZATION STUDY COMMISSION

1 Section @. (a) Section 32.22 of S.L. 1997-443 is
2 repealed.

3 (b) There is created the Oregon Inlet Stabilization
4 Study Commission, an independent study commission, to continue
5 the investigations undertaken by the Legislative Research
6 Commission's Oregon Inlet Stabilization Study Committee during
7 the 1997-98 interim as authorized by Section 32.22 of S.L. 1997-
8 443.

9 The membership and chairmanship of the Study Commission
10 shall be the same as that of the former Study Committee.
11 Vacancies shall be filled by the person who made the initial
12 appointment. Members of the Commission shall receive subsistence
13 and travel allowances in accordance with G.S. 120-3.1 or G.S.
14 138-5, as appropriate.

15 The Study Commission may hold hearings to receive public
16 input on the potential benefits and costs to the State of
17 stabilizing the inlet and consider alternative procedures and
18 actions for the stabilization of the inlet along with the
19 environmental, economic, governmental, and cultural costs and
20 benefits that may result from the stabilization.

21 In analyzing the benefits and costs of stabilizing the
22 Oregon Inlet, the Study Commission may employ the expertise of
23 the Departments of Environment and Natural Resources,
24 Transportation, and Justice and may solicit the assistance of the
25 United States Army Corps of Engineers and any other federal or
26 State agencies that might assist the study.

27 Upon approval of the Legislative Services Commission,
28 the Legislative Services Officer shall assign appropriate
29 professional staff from the Legislative Services Office of the
30 General Assembly to assist with the study. The House of
31 Representatives' and the Senate's Supervisors of Clerks shall
32 assign clerical staff to the Commission, upon the direction of
33 the Legislative Services Commission. The Commission may meet in
34 the Legislative Building or the Legislative Office Building upon
35 the approval of the Legislative Services Commission.

36 The Study Commission may consider any of the following:

37 (1) Continuation of the study beyond the current
38 biennium until the issues surrounding the

1 stabilization of the Oregon Inlet are finally
2 resolved.

3 (2) Additional detailed studies of the benefits and
4 costs of stabilizing the Oregon Inlet including a
5 long-range plan for the stabilization of the inlet
6 and a projection for the State's future costs of
7 participation in that stabilization.

8 (3) Necessary statutory changes needed to implement any
9 planned inlet stabilization.

10 (4) Alternatives to the stabilization of the Oregon
11 Inlet.

12 (5) Funding sources for any stabilization projects or
13 studies.

14 The Commission shall submit an interim or final report
15 with any recommendations to the 1999 Session of the General
16 Assembly prior to the adjournment of that session. The
17 Commission may meet during the 1999 Session of the General
18 Assembly at any time when neither the House of Representatives
19 nor the Senate are in session.

20 The Commission shall terminate upon the issuance of its
21 final report.

22 (c) The Department of Environment and Natural Resources
23 is designated as the lead State agency for monitoring, studying,
24 analyzing, and making recommendations for the State on the
25 stabilization of the Oregon Inlet. The Department shall carry
26 out all duties associated with this designation using funds
27 already appropriated to the Department.

28 (d) G.S. 143B-279.2 reads as rewritten:

29 "§ 143B-279.2. Department of Environment and Natural Resources
30 -- duties.

31 It shall be the duty of the Department:

32 (1) To provide for the protection of the environment;
33 (1a) To administer the State Outer Continental Shelf
34 (OCS) Task Force and coordinate State participation
35 activities in the federal outer continental shelf
36 resource recovery programs as provided under the
37 OCS Lands Act Amendments of 1978 (43 USC §§ 1801 et
38 seq.) and the OCS Lands Act Amendments of 1986 (43
39 USC §§ 1331 et seq.).

40 (1b) To provide for the protection of the environment
41 and public health through the regulation of solid
42 waste and hazardous waste management and the
43 administration of environmental health programs.

44 (2) Repealed by Session Laws 1997-443, s. 11A.5.

- 1 (2a) To provide and keep a museum or collection of the
2 natural history of the State and to maintain the
3 North Carolina Biological Survey; and
4 (3) To provide for the management of the State's
5 natural resources.
6 (4) To monitor, study, analyze, and make
7 recommendations for the State on the stabilization
8 of the Oregon Inlet."

Requested by: Representatives Mitchell, Baker, Carpenter

STATEWIDE BEAVER DAMAGE CONTROL PROGRAM FUNDS

1 Section 14.16. (a) Subsections (e) through (h) of
2 Section 69 of Chapter 1044 of the 1991 Session Laws, as amended,
3 are repealed.

4 (b) Section 69 of Chapter 1044 of the 1991 Session Laws,
5 as amended by Section 111 of Chapter 561 of the 1993 Session
6 Laws, Section 27.3 of Chapter 769 of the 1993 Session Laws,
7 Section 26.6 of Chapter 507 of the 1995 Session Laws, Section
8 27.15 of Chapter 18 of the Session Laws of the 1996 Second Extra
9 Session, Section 15.44 of S.L. 1997-443, and subsection (a) of
10 this section reads as rewritten:

11 "Sec. 69. (a) There is established the Beaver Damage Control
12 Advisory Board. The Board shall consist of nine members, as
13 follows:

- 14 (1) The Executive Director of the North Carolina
15 Wildlife Resources Commission, or his designee, who
16 shall serve as chair;
- 17 (2) The Commissioner of ~~Agriculture~~, Agriculture and
18 Consumer Services, or a designee;
- 19 (3) The Director of the Division of Forest Resources of
20 the Department of ~~Environment, Health, Environment~~
21 and Natural Resources, or a designee;
- 22 (4) The Director of the Soil and Water Conservation
23 Division of the Department of ~~Environment, Health,~~
24 Environment and Natural Resources, or a designee;
- 25 (5) The Director of the North Carolina Cooperative
26 Extension Service, or a designee;
- 27 (6) The Secretary of Transportation, or a designee;
- 28 (7) The State Director of the Animal Damage Control
29 Division of the Animal and Plant Health Inspection
30 Service, U.S. Department of Agriculture, or a
31 designee;
- 32 (8) The President of the North Carolina Farm Bureau
33 Federation, Inc., or a designee, representing
34 ~~private landowners in the participating counties,~~
35 landowners; and
- 36 (9) A representative of the North Carolina Forestry
37 Association.

38 (b) The Beaver Damage Control Advisory Board shall develop a
39 statewide program to control beaver damage on private and public

1 lands. ~~Anson, Bertie, Bladen, Brunswick, Carteret, Chatham,~~
2 ~~Chowan, Craven, Columbus, Cumberland, Duplin, Edgecombe,~~
3 ~~Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford,~~
4 ~~Hoke, Johnston, Jones, Lee, Lenoir, Lincoln, Martin, Nash,~~
5 ~~Northampton, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson,~~
6 ~~Scotland, Vance, Warren, Washington, Wayne, and Wilson Counties~~
7 ~~shall participate in the program.~~ The Beaver Damage Control
8 Advisory Board shall act in an advisory capacity to the Wildlife
9 Resources Commission in the implementation of the program. In
10 developing the program, the Board shall:

- 11 (1) Orient the program primarily toward public health
12 and safety and toward landowner assistance,
13 providing some relief to landowners through beaver
14 control and management rather than eradication;
- 15 (2) Develop a priority system for responding to
16 complaints about beaver damage;
- 17 (3) Develop a system for documenting all activities
18 associated with beaver damage control, so as to
19 facilitate evaluation of the program;
- 20 (4) Provide educational activities as a part of the
21 program, such as printed materials, on-site
22 instructions, and local workshops; and
- 23 (5) Provide for the hiring of personnel necessary to
24 implement beaver damage control activities,
25 administer the program, and set salaries of
26 personnel;
- 27 ~~(6) Evaluate the costs and benefits of the program that~~
28 ~~might be applicable elsewhere in North Carolina.~~
29 ~~personnel.~~

30 No later than January 15, 1998, March 15 of each year, the
31 Board shall issue a report to the Wildlife Resources Commission
32 Commission, the Senate and House Appropriations Subcommittees on
33 Natural and Economic Resources, and the Fiscal Research Division
34 on the program to date, including recommendations on the
35 feasibility of continuing the program in participating counties
36 and the desirability of expanding the program into other
37 counties. results of the program during the preceding year. The
38 Wildlife Resources Commission shall prepare a plan to implement a
39 statewide program to control beaver damage on private and public
40 lands. No later than March 15, 1998, the Wildlife Resources
41 Commission shall present its plan in a report to the House
42 Appropriations Subcommittee on Natural and Economic Resources,
43 the Senate Appropriations Committee on Natural and Economic
44 Resources, and the Fiscal Research Division.

1 (c) The Wildlife Resources Commission shall implement the
2 program, and may enter a cooperative agreement with the Animal
3 Damage Control Division of the Animal and Plant Health Inspection
4 Service, United States Department of Agriculture, to accomplish
5 the program.

6 (d) Notwithstanding G.S. 113-291.6(d) or any other law, it is
7 lawful to use snares when trapping beaver pursuant to the beaver
8 damage control program developed pursuant to this section. The
9 provisions of Chapter 218 of the 1975 Session Laws; Chapter 492
10 of the 1951 Session Laws, as amended by Chapter 506 of the 1955
11 Session Laws; and Chapter 1011 of the 1983 Session Laws do not
12 apply to trapping carried out in implementing the beaver damage
13 control program developed pursuant to this section.

14 (d1) In case of any conflict between G.S. 113-291.6(a) and G.S.
15 113-291.6(b) and this section, this section prevails.

16 (d2) Each county that volunteers to participate in this
17 program for a given fiscal year shall provide written
18 notification of its wish to participate no later than September
19 30 of that year and shall commit the sum of four thousand dollars
20 (\$4,000) in local funds no later than September 30 of that year."

21 (c) The Revisor of Statutes shall codify in Chapter 113
22 of the General Statutes Section 69 of Chapter 1044 of the 1991
23 Session Laws as amended.

24 (d) Of the funds appropriated in this act to the
25 Wildlife Resources Commission for the 1998-99 fiscal year, up to
26 the sum of five hundred thousand dollars (\$500,000) shall be used
27 to provide the State share necessary to support the beaver damage
28 control program as revised in this section, provided the sum of
29 twenty-five thousand dollars (\$25,000) in federal funds is
30 available for the 1998-99 fiscal year to provide the federal
31 share.

Requested by: Representatives Mitchell, Baker, Carpenter

REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS

1 Section 15. Section 16.11 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 16.11. (a) Funds appropriated in this act to the
4 Department of Commerce for regional economic development
5 commissions shall be allocated to the following commissions in
6 accordance with subsection (b) of this section: Western North
7 Carolina Regional Economic Development Commission, Research
8 Triangle Regional Commission, Southeastern North Carolina
9 Regional Economic Development Commission, Piedmont Triad
10 Partnership, Northeastern North Carolina Regional Economic
11 Development Commission, Global TransPark Development Commission,
12 and Carolinas Partnership, Inc.

13 (b) Funds appropriated pursuant to subsection (a) of
14 this section shall be allocated to each regional economic
15 development commission as follows:

16 (1) First, the Department shall establish each
17 commission's allocation by determining the sum of
18 allocations to each county that is a member of that
19 commission. Each county's allocation shall be
20 determined by dividing the county's enterprise
21 factor by the sum of the enterprise factors for
22 eligible counties and multiplying the resulting
23 percentage by the amount of the appropriation. As
24 used in this subdivision, the term "enterprise
25 factor" means a county's enterprise factor as
26 calculated under G.S. 105-129.3;

27 (2) Next, the Department shall subtract from funds
28 allocated to the Global TransPark Development Zone
29 the sum of two hundred ~~seventy-six thousand nine~~
30 ~~hundred twenty-three dollars (\$276,923)~~ eighty
31 thousand five hundred two dollars (\$280,502) ~~in~~
32 ~~each fiscal year, in the 1998-99 fiscal year,~~ which
33 sum represents the interest earnings in each fiscal
34 year on the estimated balance of seven million five
35 hundred thousand dollars (\$7,500,000) appropriated
36 to the Global TransPark Development Zone in Section
37 6 of Chapter 561 of the 1993 Session Laws; and

38 (3) Next, the Department shall redistribute the sum of
39 two hundred ~~seventy-six thousand nine hundred~~

1 ~~twenty-three dollars (\$276,923)~~ eighty thousand
2 five hundred two dollars (\$280,502) ~~in each fiscal~~
3 ~~year~~ in the 1998-99 fiscal year to the seven
4 regional economic development commissions named in
5 subsection (a) of this section. Each commission's
6 share of this redistribution shall be determined
7 according to the enterprise factor formula set out
8 in subdivision (1) of this subsection. This
9 redistribution shall be in addition to each
10 commission's allocation determined under
11 subdivision (1) of this subsection."
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CODE NO. 98COMM-H011-S

Requested by: Representatives Mitchell, Baker, Carpenter

MARKETING OF GLOBAL TRANSPARK BY DEPARTMENT OF COMMERCE

1 Section 15.2. The Division of Business and Industry of
2 the Department of Commerce shall assume responsibility for the
3 marketing of the North Carolina Global TransPark. Funds
4 designated in the Department's budget for marketing of the North
5 Carolina Global TransPark shall remain in the Department and
6 shall be used by the Division to carry out this purpose.

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Requested by: Representatives Mitchell, Baker, Carpenter,
Hardy, H. Hunter, Preston

HISTORIC WATERFRONT REVITALIZATION

- 1 Section @. (a) Planning Grants. -- A unit of local
2 government that is located within a county assigned to the
3 Northeastern North Carolina Regional Economic Development
4 Commission established by G.S. 158-8.2, is eligible for planning
5 grants for a proposed revitalization project as provided in this
6 section if it meets all of the following conditions:
- 7 (1) The unit is, or is located in, a Tier One, Tier
8 Two, or Tier Three Enterprise Area as defined in
9 G.S. 105-129.3 as of the date it applies for
10 certification of planning stage eligibility.
- 11 (2) The proposed revitalization project is located in a
12 National Register Historic District or includes the
13 rehabilitation of a certified historic structure as
14 defined in G.S. 105-130.42.
- 15 (3) The area of the proposed revitalization project is
16 either contiguous to a navigable waterway or
17 connected to a navigable waterway by a pedestrian
18 walkway or alternative vehicular access trail that
19 is natural, historically significant, or both.
- 20 (4) The Northeastern Regional Economic Development
21 Commission agrees to provide matching funds for the
22 planning grant as required under subsection (b) of
23 this section.
- 24 (b) Matching requirement. Planning grants awarded by the
25 Department are contingent upon matching funds provided by the
26 Northeastern North Carolina Regional Economic Development
27 Commission on the basis of one dollar of Commission funds for
28 every two dollars of State funds allocated under the grant.
- 29 (c) Application. -- A unit of local government may apply to
30 the Department of Commerce for certification of planning stage
31 eligibility for the benefits provided in this section with
32 respect to a revitalization project. The application must
33 include all information required by the Department to determine
34 the eligibility of the unit.
- 35 (d) Technical Assistance. -- The Department of Commerce is
36 encouraged to provide technical assistance to eligible local
37 governments in preparing State and federal grant and loan
38 applications with respect to the proposed revitalization project.

1 (e) Reports. -- The Department of Commerce shall report
2 annually to the Joint Legislative Commission on Governmental
3 Operations and to the House Appropriations Subcommittee on
4 Natural and Economic Resources and the Senate Appropriations
5 Committee on Natural and Economic Resources on the grants awarded
6 to and assistance provided to eligible local governments with
7 respect to proposed historic waterfront revitalization projects,
8 including information regarding to whom grants were made, in what
9 amounts, and for what projects.

Requested by: Representatives Mitchell, Baker, Carpenter

COMPETITIVE GOVERNMENT INITIATIVE

1 Sec. @. (a) The General Statutes are amended by adding
2 a new Chapter to read:

3 "Chapter 143C.

4 "North Carolina Government Competition Act of 1997.

5 "§ 143C-1. Short title.

6 This Chapter shall be known and may be cited as the 'North
7 Carolina Government Competition Act'.

8 "§ 143C-2. Definitions.

9 As used in this Chapter, unless the context requires otherwise:

10 (1) 'Commission' means the North Carolina Government
11 Competition Commission.

12 (2) 'State agency' means any State department, agency,
13 or institution.

14 "§ 143C-3. North Carolina Government Competition Commission
15 created; duties.

16 (a) The North Carolina Government Competition Commission is
17 created within the Department of Commerce. The Commission shall
18 exercise its powers independently of the Secretary of Commerce
19 and shall be subject to the direction and supervision of the
20 Secretary of Commerce only with respect to the management
21 functions of coordination and reporting. The purpose of the
22 Commission is to be the catalyst for the use of competition to
23 improve the delivery of State government services, to make State
24 government more effective and more efficient, and to reduce the
25 costs of government to taxpayers.

26 (b) The Commission shall:

27 (1) Develop an institutional framework for a statewide
28 competition initiative to encourage innovation and
29 competition within State government.

30 (2) Establish a system to encourage the use of
31 feasibility studies and innovation to determine
32 where competition could reduce government costs
33 without adversely affecting essential services.

34 (3) Monitor the activities, products, and services of
35 State agencies to bring an element of competition
36 and to ensure a spirit of innovation and
37 entrepreneurship to compete with the private sector
38 to increase the quality of services or reduce costs
39 to taxpayers.

- 1 (4) Identify any barriers to competition in State
2 government and recommend actions to overcome those
3 barriers.
- 4 (5) Promote acceptance of competition by State
5 government officials and State employees as a
6 viable alternative to in-house operations for
7 delivering State government services where savings
8 to the State may be realized through competition,
9 including the development and implementation of
10 State employee adjustment and incentive programs.
- 11 (6) Advocate, develop, and accelerate implementation of
12 a competitive program for State agencies to ensure
13 competition for the provision or production of
14 government services from both public sector and
15 private sector entities.
- 16 (7) Establish approval, planning, and reporting
17 processes required to carry out the functions of
18 the Commission.
- 19 (8) Determine the competition potential of a State
20 program or activity, perform cost and benefit
21 analyses, and conduct public and private
22 competition analyses.
- 23 (9) Devise evaluation criteria to be used in conducting
24 performance reviews of any State program or
25 activity that is subject to a competition
26 recommendation.
- 27 (10) Assess the short-term and long-term results of
28 State government competition efforts.
- 29 (11) Appoint, as needed, ad hoc committees relating to
30 specific matters within the Commission's purview.
- 31 "§ 143C-4. Membership; appointment; terms; vacancies; chair;
32 quorum; compensation.
- 33 (a) The Commission shall be composed of nine members to be
34 appointed as follows:
- 35 (1) Three members appointed by the Governor, one of
36 whom shall be a State employee and two of whom
37 shall be members of the private sector. One of
38 these private sector members shall have large-scale
39 purchasing experience.
- 40 (2) Three members appointed by the Speaker of the House
41 of Representatives, two of whom shall be members of
42 the private sector and one of whom shall be a State
43 employee.

1 (3) Three members appointed by the President Pro
2 Tempore of the Senate, two of whom shall be members
3 of the private sector and one of whom shall be a
4 State employee.
5 Members of the Commission shall serve two-year terms. In
6 making the initial appointments to the Commission, the respective
7 appointing authorities shall appoint at least one member for a
8 one-year term so that subsequent terms stagger.
9 (b) All initial appointments shall become effective July 1,
10 1998. The initial members' terms shall end on June 30 of the
11 applicable year in which a term expires, with the subsequent term
12 beginning on July 1 of that year. No member may serve more than
13 two consecutive terms. Vacancies shall be filled by the
14 appointing authority for any unexpired portion of a term. Members
15 shall receive subsistence, per diem, and travel allowances as
16 provided by G.S. 138-5.
17 (c) A majority of the members shall constitute a quorum. The
18 Commission shall annually elect its chair and vice-chair from
19 among its members.
20 (d) The Commission shall appoint an executive director and
21 other necessary staff within funds available to it.
22 "§ 143C-5. Cooperation of other State agencies.
23 All State agencies shall cooperate with the Commission and,
24 upon request, assist the Commission in the performance of its
25 duties and responsibilities. The Commission shall not impose
26 unreasonable burdens or costs in connection with requests of
27 State agencies.
28 "§ 143C-6. Application for and acceptance of certain gifts and
29 grants; authority to enter into contract; applicability of State
30 purchasing laws.
31 (a) The Commission may apply for, accept, and expend gifts,
32 grants, or donations from governmental sources or from private
33 nonprofit foundations organized for taxation purposes under
34 section 501(c)(3) of the Internal Revenue Code to enable it to
35 better carry out its objectives. No entity that provides a gift,
36 donation, or grant shall be eligible for a contract award that
37 results from action of a Commission recommendation.
38 (b) The Commission may contract for professional or consultant
39 service. Any consultant awarded a contract shall be ineligible
40 for a contract award resulting from the consultant's
41 recommendations.
42 (c) The Commission is subject to the provisions of Articles 3,
43 3C, and 3D of Chapter 143 of the General Statutes.

1 "§ 143C-7. Public-private competition analysis; proposals for
2 competition.

3 (a) The Governor, the General Assembly, or the Commission may
4 direct a State agency to perform a public-private competition
5 analysis covering any service for which the Commission has
6 received from a private entity a qualifying unsolicited proposal
7 for competition that is consistent with the Commission's purposes
8 and duties as provided in this Chapter.

9 (b) The Commission may solicit competition proposals from
10 private entities for the purposes of making cost-comparison
11 analyses. Any State agency may submit proposals to the
12 Commission for cost-comparison analyses.

13 (c) If a service contract is awarded to a private vendor as a
14 result of a recommendation by the Commission, cancellation of the
15 contract requires the prior approval of both the Commission and
16 the Division of Purchase and Contract. The Commission's
17 executive director may act on behalf of the Commission under this
18 subsection pursuant to rules adopted by the Commission.

19 "§ 143C-8. Duties of the Office of State Budget and Management.

20 The Office of State Budget and Management shall determine the
21 amount of an existing appropriation that would no longer be
22 needed by a State agency as the result of savings realized
23 through competition and shall report annually, by February 1, the
24 nature and amount of the savings to the Governor and to the Joint
25 Legislative Commission on Governmental Operations.

26 "§ 143C-9. Reports to the Governor and General Assembly.

27 The Commission shall report annually, by February 1, its
28 findings and recommendations to the Governor and the Joint
29 Legislative Commission on Governmental Operations and may make
30 other interim reports it deems advisable."

31 (b) Funds appropriated in this act to the Department of
32 Commerce for the Competitive Government Initiative shall be used
33 by the Department to implement this section.

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CODE NO. 98COMM-H016-S

Requested by: Representatives Mitchell, Baker, Carpenter

RURAL TOURISM DEVELOPMENT GRANT PROGRAM

1 Section 15.3. Of the funds appropriated in this act to
2 the Department of Commerce, the sum of one hundred thousand
3 dollars (\$100,000) for the 1998-99 fiscal year shall be allocated
4 for the Rural Tourism Development Grant Program. The Department
5 shall establish and implement this Program to provide grants to
6 local governments and nonprofit organizations to encourage the
7 development of new tourism projects and activities in rural areas
8 of the State. The Department shall develop procedures for the
9 administration and distribution of funds allocated to the Rural
10 Tourism Development Program under the following guidelines:

- 11 (1) Eligible organizations shall make application under
12 procedures established by the Department;
- 13 (2) Eligible organizations shall be nonprofit tourism-
14 related organizations located in the State's rural
15 regions;
- 16 (3) Priority shall be given to eligible organizations
17 that have significant involvement of travel- and
18 tourism-related businesses;
- 19 (4) Priority shall be given to eligible organizations
20 serving economically distressed rural counties;
- 21 (5) Priority shall be given to eligible organizations
22 that match funds; and
- 23 (6) Funds shall not be used for renting or purchasing
24 land or buildings or for financing debt.

25 No recipient or new tourism project shall receive a
26 total of more than fifty thousand dollars (\$50,000) of these
27 grant funds for the 1998-99 fiscal year.

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CODE NO. 98COMM-H012-S

Requested by: Representatives Mitchell, Baker, Carpenter

GREAT SMOKY MOUNTAINS SPECIAL LICENSE PLATE

1 Section 15.4. (a) G.S. 20-63(b) reads as rewritten:

2 "(b) Every license plate shall have displayed upon it the
3 registration number assigned to the vehicle for which it is
4 issued, the name of the State of North Carolina, which may be
5 abbreviated, and the year number for which it is issued or the
6 date of expiration. A plate issued for a commercial vehicle, as
7 defined in G.S. 20-4.2(1), must bear the word "commercial,"
8 unless the plate is a special registration plate authorized in
9 G.S. 20-79.4 or the commercial vehicle is a trailer or is
10 licensed for 6,000 pounds or less.

11 A registration plate issued by the Division for a private
12 passenger vehicle or for a private hauler vehicle licensed for
13 6,000 pounds or ~~less~~ less, other than a Friends of the Great
14 Smoky Mountains National Park special registration plate, shall
15 be a "First in Flight" plate. A "First in Flight" plate shall
16 have the words "First in Flight" printed at the top of the plate
17 above all other letters and numerals. The background of the plate
18 shall depict the Wright Brothers biplane flying over Kitty Hawk
19 Beach, with the plane flying slightly upward and to the right."

20 (b) The Great Smoky Mountains National Park special
21 registration plate shall have the words "First in Flight" printed
22 at the top of the plate above all other letters and numerals. The
23 background of the plate shall be the full art, three-color design
24 submitted to the Division by Friends of the Great Smoky Mountains
25 National Park in camera-ready format. The background color and
26 design shall allow numbers on the face of the plate to be readily
27 distinguished. Submission to the Division of the background
28 design authorized under this subsection shall be the final design
29 and, upon acceptance by the Division, no further changes in the
30 background design shall be made.

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CODE NO. 98LAB-H001

Requested by: Representatives Mitchell, Baker, Carpenter

WORKER TRAINING TRUST FUND APPROPRIATIONS

1 Section 15.6A. Section 16 of Chapter 443 of the 1997
2 Session Laws reads as rewritten:

3 "Section 16. (a) There is appropriated from the Worker
4 Training Trust Fund to the Employment Security Commission of
5 North Carolina the sum of six million six hundred eighty-nine
6 thousand nine hundred sixty-four dollars (\$6,689,964) for the
7 1997-98 fiscal year and the sum of ~~six million six hundred~~
8 ~~eighty-nine thousand nine hundred sixty-four dollars (\$6,689,964)~~
9 seven million twenty-one thousand three hundred seventy-four
10 dollars (\$7,021,374) for the 1998-99 fiscal year for the
11 operation of local offices.

12 (b) Notwithstanding the provisions of G.S. 96-5(f),
13 there is appropriated from the Worker Training Trust Fund to the
14 following agencies the following sums for the 1997-98 and the
15 1998-99 fiscal years for the following purposes:

16 (1) \$2,400,000 for the 1997-98 fiscal year and
17 ~~\$2,400,000~~ \$2,050,000 for the 1998-99 fiscal year
18 to the Department of Commerce, Division of
19 Employment and Training, for the Employment and
20 Training Grant Program;

21 (2) \$1,000,000 for the 1997-98 fiscal year and
22 \$1,000,000 for the 1998-99 fiscal year to the
23 Department of Labor for customized training of the
24 unemployed and the working poor for specific jobs
25 needed by employers through the Department's Bureau
26 for Training Initiatives;

27 (3) \$1,746,000 for the 1997-98 fiscal year and
28 \$1,746,000 for the 1998-99 fiscal year to the
29 Department of Community Colleges to continue the
30 Focused Industrial Training Program;

31 (4) \$225,000 for the 1997-98 fiscal year and \$225,000
32 for the 1998-99 fiscal year to the Employment
33 Security Commission for the State Occupational
34 Information Coordinating Committee to develop and
35 operate an interagency system to track former
36 participants in State education and training
37 programs;

38 (5) \$400,000 for the 1997-98 fiscal year and \$400,000
39 for the 1998-99 fiscal year to the Department of

1 Community Colleges for a training program in
2 entrepreneurial skills to be operated by North
3 Carolina REAL Enterprises;
4 (6) \$50,000 for the 1997-98 fiscal year and \$50,000 for
5 the 1998-99 fiscal year to the Office of State
6 Budget and Management to maintain compliance with
7 Chapter 96 of the General Statutes, which directs
8 the Office of State Budget and Management to employ
9 the Common Follow-Up Management Information System
10 to evaluate the effectiveness of the State's job
11 training, education, and placement programs;
12 (7) \$500,000 for the 1997-98 fiscal year and \$1,000,000
13 for the 1998-99 fiscal year to the Department of
14 Labor to expand the Apprenticeship Program. It is
15 intended that the appropriation of funds in this
16 subdivision will result in the Department of Labor
17 serving a benchmark performance level of 10,000
18 adult and youth apprentices by the year 2000; and
19 (8) \$100,000 for the 1997-98 fiscal year and \$100,000
20 for the 1998-99 fiscal year to the State Board of
21 Education for the Teacher Apprenticeship Program.
22 The State Board of Education may use funds
23 appropriated from the Worker Training Trust Fund in
24 this subdivision to design and implement a public
25 school teacher apprenticeship program.
26 (9) \$350,000 for the 1998-99 fiscal year to the
27 Department of Community Colleges for the Hoisery
28 Technology Center of North Carolina. It is the
29 intent of the General Assembly that the Center
30 operate in subsequent fiscal years without any
31 special or supplemental funding."

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CODE NO. 98COMM-H013-S

Requested by: Representatives Mitchell, Baker, Carpenter

' YEAR 2000 CLARIFICATIONS

1 Section 15.7. Section 28.1 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 28.1. (a) ~~The Office of State Controller shall~~
4 ~~include in its charges for data processing services costs of~~
5 ~~converting computer applications to operate properly at the turn~~
6 ~~of the century. The Department of Commerce shall not reduce~~
7 ~~rates for data processing services for the first six months of~~
8 ~~the 1998-99 fiscal year. If at the end of the first six months~~
9 ~~the Department determines that additional Year 2000 funds for the~~
10 ~~1998-99 fiscal year are not needed from data processing services~~
11 ~~reserve funds, then the Department may reduce data processing~~
12 ~~services rates upon approval of the reduction by the Information~~
13 ~~Resources Management Commission. The State Controller Department~~
14 ~~shall develop and maintain procedures for managing the year 2000~~
15 ~~conversion.~~

16 (b) ~~The State Controller Department of Commerce shall analyze~~
17 ~~the needs of State agencies for funds to convert their systems.~~
18 ~~In the course of the analysis, the State Controller Department~~
19 ~~shall consider an agency's need for each system it wishes to~~
20 ~~convert and the most cost-effective manner in which to manage~~
21 ~~conversion. The State Controller Department shall certify to the~~
22 ~~Office of State Budget and Management the cost of each State~~
23 ~~agency for the year 2000 conversion.~~

24 (c) ~~The Director of the Budget may use up to twenty-five~~
25 ~~million dollars (\$25,000,000) of projected 1997-98 General Fund~~
26 ~~reversions to cover the cost of the year 2000 conversion in~~
27 ~~General Fund agencies during the 1997-98 fiscal year.~~

28 (d) ~~Beginning October 1, 1997, and quarterly thereafter, the~~
29 ~~Office of State Controller shall report to the Joint Legislative~~
30 ~~Commission on Governmental Operations on the status of the~~
31 ~~conversion and cost projections."~~

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Requested by: Representatives Mitchell, Baker, Carpenter

NORTH CAROLINA INFORMATION HIGHWAY

1 Section 15.8. Section 28 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 28. (a) The funds appropriated in this act to the
4 ~~Office of State Controller~~ Department of Commerce for the
5 operation of the North Carolina Information Highway shall be used
6 only for costs incurred by the ~~Office of State Controller~~
7 Department related to the operations and support of the North
8 Carolina Information Highway. No funds appropriated in this act
9 shall be expended to pay Minimum Monthly usage charges for North
10 Carolina Information Highway Services.

11 (b) ~~The Office of State Controller may use the two hundred~~
12 ~~twenty-four thousand dollars (\$224,000) in savings that accrued~~
13 ~~in fiscal year 1996-97 to fund new sites in fiscal year 1997-98.~~

14 (c) ~~The Office of State Controller is encouraged to consider~~
15 ~~new technologies and capabilities as a means of providing NCIH~~
16 ~~users access to the existing ATM-SONET network. The Office of~~
17 ~~State Controller shall report to the General Assembly in 1998~~
18 ~~before the reconvening of the regular session on its findings.~~

19 (d) ~~The State Controller shall report quarterly to the Joint~~
20 ~~Legislative Commission on Governmental Operations regarding the~~
21 ~~costs incurred by the Office of State Controller related to the~~
22 ~~operations and support of the North Carolina Information Highway.~~

23 (e) ~~Given the appropriations subcommittees meet in the interim,~~
24 ~~the House and Senate Appropriations Subcommittees on General~~
25 ~~Government will consider information leading to a recommendation~~
26 ~~to adopt an alternate approach to State funding of sites,~~
27 ~~effective in fiscal year 1998-99. The subcommittee is not~~
28 ~~limited to the information that may be considered and may include~~
29 ~~in the review cost-sharing measures that require sites to~~
30 ~~participate in the annual cost of network charges; the~~
31 ~~phasing-out of one hundred percent (100%) State funding of site~~
32 ~~network charges; and the cost of adding new sites with a specific~~
33 ~~period of time designated for State funding of network charges.~~
34 The Department of Commerce shall develop a Migration Plan for
35 converting existing and proposed North Carolina Information
36 Highway sites to the H.320 international telecommunications
37 standard for delivering audio and video services to participating
38 sites. The Department shall include at a minimum the following
39 information in the Plan:

- 1 (1) A list of sites categorized by institutional
- 2 purpose to be converted under the Plan;
- 3 (2) A timeline for converting each site;
- 4 (3) The cost of conversion for each site;
- 5 (4) The estimated operating cost savings for each site
- 6 post conversion;
- 7 (5) The estimated monthly and annual operating cost
- 8 subsidy for each site post conversion;
- 9 (6) The estimated total recurring dollar impact to the
- 10 State's budget upon full implementation of the
- 11 Plan; and
- 12 (7) A detailed plan for providing connectivity or
- 13 bridging between the current DV-45 proprietary
- 14 standard sites and the converted H.320
- 15 international standard sites.
- 16 The Plan shall also identify any participating information
- 17 highway sites that utilize telecommunication standards other than
- 18 the H.320 international standard offered by the Department along
- 19 with the estimated costs for providing connectivity or bridging
- 20 among these sites and between these sites and the converted H.320
- 21 international standard sites. The Plan shall be submitted by
- 22 October 1, 1998, to the House and Senate Appropriations
- 23 Subcommittees on Natural and Economic Resources, the Joint
- 24 Legislative Commission on Governmental Operations, and the Fiscal
- 25 Research Division."
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CODE NO. 98COMM-H003-S

Requested by: Representatives Mitchell, Baker, Carpenter

NORTH CAROLINA INSTITUTE OF MINORITY ECONOMIC DEVELOPMENT,
INC./REPORT

- 1 Section 15.11. The North Carolina Institute of Minority
2 Economic Development, Inc., shall:
3 (1) By January 15, 1999, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1997-98 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1997-98 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1998-99 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1998; and
14 d. State fiscal year 1998-99 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1998.
18 (2) Provide to the Fiscal Research Division a copy of
19 the organization's annual audited financial
20 statement within 30 days of issuance of the
21 statement.
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CODE NO. 98COMM-H001-S

Requested by: Representatives Mitchell, Baker, Carpenter

LAND LOSS PREVENTION PROJECT, INC./REPORT

- 1 Section 15.12. The Land Loss Prevention Project, Inc.,
2 shall:
3 (1) By January 15, 1999, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1997-98 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1997-98 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1998-99 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1998; and
14 d. State fiscal year 1998-99 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1998.
18 (2) Provide to the Fiscal Research Division a copy of
19 the organization's annual audited financial
20 statement within 30 days of issuance of the
21 statement.
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CODE NO. 98COMM-H004-S

Requested by: Representatives Mitchell, Baker, Carpenter

NC MINORITY SUPPORT CENTER/REPORT

1 Section 15.14. The North Carolina Minority Support
2 Center shall:

- 3 (1) By January 15, 1999, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1997-98 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1997-98 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1998-99 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1998; and
14 d. State fiscal year 1998-99 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1998.
18 (2) Provide to the Fiscal Research Division a copy of
19 the organization's annual audited financial
20 statement within 30 days of issuance of the
21 statement.
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Requested by: Representatives Mitchell, Baker, Carpenter*

MCNC

1 Section 15.17. Section 16.21 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 16.21. (a) MCNC shall report on all of its programs
4 including contractual services for the Supercomputer and the
5 Research and Education Network. The reports shall:

6 (1) By January 15, 1998, and more frequently as
7 requested, report to the Joint Legislative
8 Commission on Governmental Operations and the
9 Fiscal Research Division the following information:

- 10 a. State fiscal year 1996-97 program activities,
11 objectives, and accomplishments;
- 12 b. State fiscal year 1996-97 itemized
13 expenditures and fund sources;
- 14 c. State fiscal year 1997-98 planned activities,
15 objectives, and accomplishments including
16 actual results through December 31, 1997;
- 17 d. State fiscal year 1997-98 estimated itemized
18 expenditures and fund sources including actual
19 expenditures and fund sources through December
20 31, 1997.
- 21 e. The users, major projects and benefits
22 resulting from the activities of the
23 Supercomputer and the Research and Education
24 Network.
- 25 f. The organization's progress toward achieving
26 self-sufficiency by July 1, 1999.

27 (2) By January 15, 1999, and more frequently as
28 requested, report to the Joint Legislative
29 Commission on Governmental Operations and the
30 Fiscal Research Division the following information:

- 31 a. State fiscal year 1997-98 program activities,
32 objectives, and accomplishments;
- 33 b. State fiscal year 1997-98 itemized
34 expenditures and fund sources;
- 35 c. State fiscal year 1998-99 planned activities,
36 objectives, and accomplishments including
37 actual results through December 31, 1998;
- 38 d. State fiscal year 1998-99 estimated itemized
39 expenditures and fund sources including actual

1 expenditures and fund sources through December
2 31, 1998.
3 e. The users, major projects and benefits
4 resulting from the activities of the
5 Supercomputer and the Research and Education
6 Network.
7 f. The organization's progress toward achieving
8 self-sufficiency by July 1, 1999.
9 (3) Provide to the Fiscal Research Division a copy of
10 MCNC's annual audited financial statement within 30
11 days of issuance of the statement.
12 (b) The funds appropriated in this act to MCNC shall be used
13 as follows:
14

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
15 Electronic and Information		
16 Technologies Programs	\$4,500,000	\$2,500,000

17 (c) Of the funds appropriated for the Electronic and
18 Information Technologies Programs, four million five hundred
19 thousand dollars (\$4,500,000) for the 1997-98 fiscal year and two
20 million five hundred thousand dollars (\$2,500,000) for the 1998-
21 99 fiscal year is contingent upon a dollar-for-dollar match in
22 non-State funds.
23 (d) It is the intent of the General Assembly that State funds
24 shall not be appropriated for MCNC in fiscal years 1999-2000 and
25 beyond."
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Requested by: Representatives Mitchell, Baker, Carpenter

RURAL ECONOMIC DEVELOPMENT CENTER

1 Sec. @. Section 16.24 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 16.24. (a) Of the funds appropriated in this act to
4 the Rural Economic Development Center, Inc., the sum of one
5 million two hundred seventy thousand dollars (\$1,270,000) for the
6 1997-98 fiscal year and the sum of one million ~~two~~ four hundred
7 seventy thousand dollars ~~(\$1,270,000)~~ (\$1,470,000) for the 1998-
8 99 fiscal year shall be allocated as follows:

	1997-98 FY	1998-99 FY
10 Research and Demonstration Grants	\$475,864	\$475,864
11 Technical Assistance and Center		<u>525,864</u>
12 Administration of Research		
13 and Demonstration Grants	444,136	444,136
14 Center Administration, Oversight,		
15 and Other Programs	350,000	<u>487,338</u>

16 (a) Of the funds allocated under subsection (a) of this
17 section for Research and Development Grants, the sum of thirty-
18 five thousand dollars (\$35,000) shall be allocated to the
19 Fisheries Development Foundation for mariculture activities.

20 (b) The Rural Economic Development Center, Inc., shall
21 provide a report containing detailed budget, personnel, and
22 salary information to the Office of State Budget and Management
23 in the same manner as State departments and agencies in
24 preparation for biennium budget requests.

25 (c) Not more than fifty percent (50%) of the interest
26 earned on State funds appropriated to the Rural Economic
27 Development Center, Inc., may be used by the Center for
28 administrative purposes, including salaries and fringe benefits.

29 (d) For purposes of this section, the term "community
30 development corporation" means a nonprofit corporation:

- 31 (1) Chartered pursuant to Chapter 55A of the General
- 32 Statutes;
- 33 (2) Tax-exempt pursuant to section 501(c)(3) of the
- 34 Internal Revenue Code of 1986;
- 35 (3) Whose primary mission is to develop and improve
- 36 low-income communities and neighborhoods through
- 37 economic and related development;
- 38 (4) Whose activities and decisions are initiated,
- 39 managed, and controlled by the constituents of
- 40 those local communities; and
- 41 (5) Whose primary function is to act as deal-maker and
- 42 packager of projects and activities that will
- 43 increase their constituencies' opportunities to
- 44 become owners, managers, and producers of small
- 45 businesses, affordable housing, and jobs designed

1 to produce positive cash flow and curb blight in
2 the targeted community.

3 (e) Of the funds appropriated in this act to the Rural
4 Economic Development Center, Inc., the sum of five million seven
5 hundred fifty thousand dollars (\$5,750,000) for the 1997-98
6 fiscal year and the sum of ~~two million four hundred ten million~~
7 ~~eight hundred seventy-five thousand dollars (\$2,400,000)~~
8 (\$10,875,000) for the 1998-99 fiscal year shall be allocated as
9 follows:

- 10 (1) \$1,400,000 in fiscal year 1997-98 and ~~\$1,200,000~~
11 1,475,000 in fiscal year 1998-99 for community
12 development grants to support development projects
13 and activities within the State's minority
14 communities. Any community development corporation
15 as defined in this section is eligible to apply for
16 funds. The Rural Economic Development Center,
17 Inc., shall establish performance-based criteria
18 for determining which community development
19 corporation will receive a grant and the grant
20 amount. Funding shall also be allocated to the
21 North Carolina Association of Community Development
22 Corporations, Inc. The Rural Economic Development
23 Center, Inc., shall allocate these funds as
24 follows:
- 25 a. \$900,000 in each fiscal year for direct grants
26 to the local community development
27 corporations that have previously received
28 State funds for this purpose to support
29 operations and project activities;
 - 30 b. \$250,000 in each fiscal year for direct grants
31 to local community development corporations
32 that have not previously received State funds;
 - 33 c. ~~\$200,000~~ \$275,000 in fiscal year ~~1997-98~~ 1998-
34 99 to the North Carolina Association of
35 Community Development Corporations, Inc., to
36 provide training, technical assistance,
37 resource development, and support for local
38 community development corporations statewide;
39 of these funds, the sum of \$50,000 shall be
40 used to coordinate a special project targeting
41 grassroot nonprofit organizations for economic
42 development activities in distressed areas of
43 eastern North Carolina focusing on issues of
44 infrastructure and affordable housing, and
45 the sum of \$25,000 shall be allocated to the
46 Walnut Cove Colored School, Inc. for
47 operational and program support; and
 - 48 d. \$50,000 in each fiscal year to the Rural
49 Economic Development Center, Inc., to be used
50 to cover expenses in administering this
51 section.

- (2) \$250,000 in each fiscal year to the Microenterprise Loan Program to support the loan fund and operations of the Program; and
- (3) \$4,100,000 for the 1997-98 fiscal year and ~~\$950,000~~ \$8,950,000 for the 1998-99 fiscal year shall be used for a program to provide supplemental funding for matching requirements for projects and activities authorized under this subdivision. The Center shall use these funds to make grants to local governments and nonprofit corporations to provide funds necessary to match federal grants or other grants for:
- a. Necessary economic development projects and activities in economically distressed areas, ~~or~~
 - b. Necessary water and sewer projects and activities in economically distressed communities to address health or environmental quality problems except that funds shall not be expended for the repair or replacement of low pressure pipe wastewater systems. If a grant is awarded under this sub-subdivision, then the grant shall be matched on a dollar for dollar basis in the amount of the grant ~~awarded~~ awarded, or
 - c. Projects that demonstrate alternative waste management processes for local governments. Special consideration should be given to cost effectiveness, efficacy, management efficacy, and the ability of the demonstration project to be replicated.
- The grant recipients in this subsection shall be selected on the basis of ~~need~~ need; and
- (4) \$200,000 in fiscal year 1998-99 to the Capacity Building Grants Program. Grants shall be awarded to units of local government to pay all or a portion of the costs associated with the planning and writing of a grant or loan application, a capital improvement plan, or other efforts that support growth and development of rural areas.
- (f) The Rural Economic Development Center, Inc., shall:
- (1) By January 15, 1998, and more frequently as requested, report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division the following information:
 - a. State fiscal year 1996-97 program activities, objectives, and accomplishments;
 - b. State fiscal year 1996-97 itemized expenditures and fund sources;
 - c. State fiscal year 1997-98 planned activities, objectives, and accomplishments including actual results through December 31, 1997; and

1 d. State fiscal year 1997-98 estimated itemized
2 expenditures and fund sources including actual
3 expenditures and fund sources through December
4 31, 1997.
5 (2) By January 15, 1999, and more frequently as
6 requested, report to the Joint Legislative
7 Commission on Governmental Operations and the
8 Fiscal Research Division the following information:
9 a. State fiscal year 1997-98 program activities,
10 objectives, and accomplishments;
11 b. State fiscal year 1997-98 itemized
12 expenditures and fund sources;
13 c. State fiscal year 1998-99 planned activities,
14 objectives, and accomplishments including
15 actual results through December 31, 1998; and
16 d. State fiscal year 1998-99 estimated itemized
17 expenditures and fund sources including actual
18 expenditures and fund sources through December
19 31, 1998.
20 (3) Provide to the Fiscal Research Division a copy of
21 each grant recipient's annual audited financial
22 statement within 30 days of issuance of the
23 statement."
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CODE NO. 98ENV-H018

Requested by: Representative Culp

**RANDLEMAN DAM FUNDS AND LOWER NEUSE RIVER BASIN ASSOCIATION FUNDS
DO NOT REVERT**

1 Section @. Section 8(c) of Chapter 777 of the 1993
2 Session Laws, as rewritten by Section 26.2 of Chapter 507 of the
3 1995 Session Laws and Section 15.47(a) of S.L. 1997-443, reads as
4 rewritten:

5 "(c) All funds appropriated in Chapter 769 of the 1993 Session
6 Laws for the construction of Randleman Dam shall revert to the
7 General Fund on ~~October 1, 1999~~, October 1, 2000, if construction
8 has not begun before that date."

9 (b) Section 27.8(a) of Chapter 18 of the 1995 Session
10 Laws as amended by Section 15.47(b) of S.L. 1997-443 reads as
11 rewritten:

12 "Sec. 27.8. (a) Of the funds appropriated by this act to the
13 Lower Neuse River Basin Association for the 1996-97 fiscal year,
14 the sum of two million dollars (\$2,000,000) shall be allocated as
15 grants to local government units in the Neuse River Basin to
16 assist those local government units in fulfilling their
17 obligations under the Neuse River Nutrient Sensitive Waters
18 Management Strategy plan adopted by the Environmental Management
19 Commission. The funds are contingent upon the adoption of the
20 plan by the Environmental Management Commission. If the
21 Environmental Management Commission fails to adopt the plan by
22 ~~August 1, 1998~~, August 1, 1999, then the funds shall revert to
23 the General Fund."

MINUTES

House Appropriations Sub-Committee on Natural and Economic Resources

July 15, 1998 - 8:30 a.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met Wednesday, July 15, 1998 at 8:30 a.m. in Room 643 of the Legislative Office Building. Representative Rex Baker, House Co-Chair, called the meeting to order at 8:30 a.m. Members present were Representatives Baker, Mitchell, Carpenter, Culp, Tolson, Fox Weatherly, Allen, and Hall.

Representative Baker stated that the committee would review the changes that were made yesterday, noting that the provision that was in the Senate budget dealing with Welfare to Work Program will not be covered by this committee but will be handled as part of the over-all welfare proposals at a higher level than this committee. He reported that the chairs met yesterday and last night, and there still is not a final number on the breakdown between recurring and non-recurring or the total amount. The committee will vote on the sub-committee budget report tomorrow morning.

The first item for discussion on the handout, **Budget Comparisons**, (Attachment 1) is attached to these minutes. Representative Baker noted that Pilot Program had been added on line 140, Care Trak System Pilot Program Funds. On line 146, World Trade Center, \$200,000 has been put in for the center and that money came out of lines 113 and 114 of the International Marketing and General Advertising Marketing in the Department of Commerce. We learned that the World Trade Center is instrumental in marketing, especially in specific countries for tobacco and pork products. Representative Owens stated that he did not have a problem with the Trade Center but did have a problem where the money was being taken from. He felt that marketing is a critical issue and that Travel and Tourism is going to pass agribusiness and become the biggest business in North Carolina by the turn of the century. It is critical to keep money with the Travel and Industry. He recommended this be restored. He noted that there has not been much money put into Small, Family-Owned Farm Loan Program. There is \$1,500,000 dollars there. There are a lot of small farmers and there are other resources for them to get moneys from. He suggested that \$200,000 come out of that and be reduced to \$1,300,000. Representative Baker pointed out that in those areas, even with the cutback, we still have total marketing in those areas of \$2.4 million as opposed to the Senate \$2.2 million. Representative Owens noted that he supported the US Open for \$1 million but that is for one area of the state where the other is for the other 100 counties. Travel and Tourism affects all counties. He felt that cutting that was a major mistake. Representative Weatherly agreed to support Travel and Tourism. Representative Mitchell stated that the Senate has it in already and the money will be restored at a later date. Representative Baker noted that the House has \$1.4 million as opposed to the Senate \$2.2 million. Representative Owens remarked that this issue affects so many

people and is too critical to take a chance that the Conference Committee may not have enough money. Since Travel and Tourism will become the largest employer in the state by 2000, it should be high on the table, and we should be putting in more money for marketing efforts. Representative Mitchell suggested that item 141, 4-H/Eastern Ag Livestock Arena, could be reduced. That helps one area of the state. We can take \$200,000 from the House version since the Senate has \$600,000. Representative Tolson expressed concern about cutting anything that would be helpful to his area and noted that his county is a tier 1 county and needs all the help it can get. Representative Allen requested the staff to explain what the State would do with the \$1 million for the US Open. Jennifer Hoffman stated that it is not \$1 million to market the US Open. That money would be used to host travel, riders, tour operators, film executives, business executives to bring them into the State and conduct tours of the state's selected sites and show what North Carolina has to offer during the US Open and hopes to promote our other sporting film and tours and opportunities. Representative Allen stated that he would like to see Item 1, Housing Trust Fund, increased.

The following special provisions were reviewed:

Mark Trogon stated the Great Smoky Mountain License Plate, a special registration plate, included in the package yesterday has been deleted.

Mr. Trogon reviewed page 1 of the handout entitled **Department of Labor/Budget Over-Realized Indirect Cost Receipts** (Attachment 2). This allows the department to budget federal and direct cost receipts for departmental technology needs and cost to relocate selected divisions of the Department of Labor to the Old Revenue Building.

Representative Baker noted that #2, Protect Solvency of Leaking Petroleum Underground Storage Tanks was developed as a result of a presentation on solvency of underground storage tank program and developed by Susan Iddings in conjunction with George Givens. It will not be included in the package until it is cleared with everyone who has been working on it. Representative Hall asked what the liability is for a person (homeowner, consumer, or commercial business) that has a leaking tank; and how much they have to pay. Representative Weatherly felt this was an ERC Committee issue. Representative Baker stated that since it is under DENR, it is totally appropriate. Testimonies were taken during the interim in the meetings of this committee jointly with the Senate on these issues. It is totally appropriate.

Mona Moon reviewed the responsibilities of the owner or operator in case of a discharge or release which are included in the 10-page provision, Protect Solvency of Leaking Petroleum Underground Storage Tanks (Attachment 2). She reviewed the assessment and how cleanups would be handled, costs and funds noting you don't want petroleum running directly into surface or ground waters. It is designed to help improve the solvency of the commercial fund; therefore the changes are primarily to the commercial underground storage tank fund. There are more claims coming in than

revenue is coming into the funds and not enough money to pay all the outstanding claims. The idea is that the State will not have claims until they have been pre-approved. It establishes a minimum balance of the commercial fund of \$3 million. It is basically reserve amount and would be unobligated funds that would be available to the Department for \$1 million for administrative expenses; \$2 million will be available for cleanups directed by the Environmental Management Commissions that are considered to be the most serious public health and environmental hazards that warrant immediate cleanup. The provision establishes \$3 million limit; no other funds can be obligated until there is \$3 million available in the fund. They cannot enter into other funding agreements until the fund balances has risen above \$3 million. She pointed out that the Environmental Management Commission may adopt temporary rules no later than January 1, 1999 and the section applies only to assessments and cleanups in progress or begun on or after the date on which the rules adopted by the Commission become effective. Representative Baker reported that this provision does not try to change the rules relative to underground tanks but brings fiscal responsibility to the fund and they will not authorize work to be done unless there is money to pay the bills. Representative Culp asked if they have ever paid for any cleanup on noncommercial, particularly home fuel tank. Ms. Moon stated there have been some reimbursement from the noncommercial fund but it does not have the solvency problem that the commercial fund has. There have not been as many claims against that fund, but they have made some payments. With noncommercial funds, the issues that you get into relate primarily to ownership. The fund will reimburse the owner of the tank and set by statute. If you buy a house that has an underground storage tank on the lot, you may not be the owner of the tank and therefore eligible for the program. Within the last few years, there has been a provision that allowed homeowners or people who buy a house or landowners that don't own the tank to get some kind of reimbursement from the fund subject to a deductible. The noncommercial fund does not have a deductible but you have to be the clear owner of the tank which is set by a date statute or depending on when the tank was last used. A lot of these tanks may not have been used in a number of years. Some may think they are the owner of the tank but actually may be owned by a previous owner. The General Assembly has taken some action the last couple of years to provide some relief for subsequent landowners to use fund but subject to a deductible.

Representative Weatherly asked if this were an initiative of the underground tank working group or the underground tank council or where is it coming from. Representative Baker replied that the solvency issue was brought to the committee by a member of the business community that were being affected by the lack of solvency. A representative from CBM made a presentation to the committee.

Henry Lancaster, Deputy Secretary of the Department of Environment and Natural and Resources, stated that he attended the ERC meeting when the presentation was made by the members of the council concerning this issue. This is a complex issue and has many levels that need to be addressed. The department has not had time to study this and its implications. We would see some problems with how moneys are available to manage funds and available with the issue of solvency. We have changed the location of

program in the department. It is now in the Division of Waste Management. They have made management and instructional changes and will make other changes. There have been meetings with petroleum marketing councils and environmental groups about the program. We would like to take the proposal under consideration and review before we can say this is correct and the full direction to go.

Representative Weatherly, speaking as a member of the ERC, noted they have been disappointed with DENR's performance about tanks but felt the issues are too complex to make all these changes without involving DENR. They will have to administer.

Mark Trogon reviewed page 12, **Funds for Certified Economic Development Training**. The Governor's recommended budget of the Department of Commerce had a \$25,000 item for additional training for business and industry developers. That item has not been funded in the Senate budget and is not in the House budget. Under the Executive Budget Act, since that item has been before the General Assembly for consideration but not funded, the department would not be able to go out and provide training with existing agency resources. This provision gives them an exemption from the Executive Budget Act on that particular provision and allows them to use the \$25,000 agency resources to provide training to economic developers.

Mr. Trogon reviewed initiative on page 13, **World Trade Center of North Carolina/Report** indicating the requirement to follow the dollars added to World Trade Center and on page 14, **Department of Agriculture's Poultry/Ratite Dealers Registration**. This is modeled after HB 1543 authorizing the Department of Agriculture to regulate poultry and ratite dealers. It also requires dealers to register with Agriculture and to use available funds to implement the provision.

Representative Culp asked question about the Neuse River Basin Association, and Ms. Herrera stated it is not in the package but the provision change was that it dropped Section B which dealt with funds for the Neuse River Basin Association. The reversion date had been extended last year to August 1, 1998 in order for the EMC time to adopt the Neuse River nutrient water plan. They have done that and the funds have been released so the provision extends the reversion for the Randleman Dam Funds for October 1, 2000.

Representative Tolson requested that a special provision, **Lewis Steam Powered Sawmill Relocation** (Attachment 3) be reviewed. Ms. Herrera explained that provision stipulates that the Department of Agriculture may use up to \$225,000 in available funds for the State Fair for the upcoming year for the expenses for relocating the sawmill from Pitt County to the State Fairgrounds in Raleigh and for expenses for operating this sawmill. Representative Tolson reported that this family wants to donate this old sawmill to the state. It operated from 1910 to 1971 in Pitt County. There has been discussion with personnel at the State Fair with the Agriculture Department and they would like to have the sawmill there as an exhibit. They have space for it. We are only asking for

money to relocate, restore facility, and have it operational. Representative Baker asked if the State Fair were an enterprise fund. Ms. Herrera reported that it was. Representative Baker asked if the money would come out of the enterprise fund, and Ms. Herrera stated that it would. Representative Baker asked if we need to give the Agriculture Department permission or can they do it. Ms. Herrera noted that she felt they could do it. The provision gives them more direction from the General Assembly and intent that they may use it. It doesn't require them to do it, but says it may. Representative Allen stated that he felt this was a good idea and should be included in the final budget. He asked why the committee could not make motions and vote on items as they are discussed, and Representative Baker stated they would be allowed to do so at the meeting tomorrow (July 16). Representative Baker stated that the provision would be ready for a vote at the meeting tomorrow.

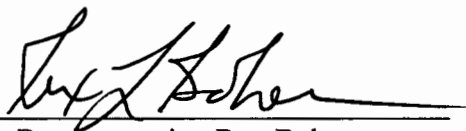
Representative Mitchell stated that on item 66, Upper Neuse River Basin Association, one of the chairs has asked that the House put a special provision similar to what has been done for 59 and 60. This would allow funding at \$300,000 from the Clean Water Management Trust Fund and provision drafted similar to 59 and 60.

Representative Danny McComas presented and explained special provision on **Study Feasibility of Relocating Channel of Mason's Inlet** (Attachment 4). The Shell Island resort was built several years ago. At the time the inlet was built, it was far enough north that it did not present a problem. In the last few years, the channel has been moving and erosion threatens the resort as well as houses on the south end of Figure Eight Island and there is need to dredge the back side. It is a \$27 million facility with 162 condominiums and there has been litigation with the state and the homeowners and noted the controversy. He noted the proposal doesn't present any cost to the state. It directs the department to go ahead and study the relocation by dredging the inlet to the north or find other measures that would be satisfactory. He explained the litigation that is going on. With the special provision, we hope to find a way that the situation can be addressed in which the inlet can find a way to correct the deficiencies of the inlet movement. The department is neutral on the issue. Representative Hall asked about the statement in the handout which states that the study shall presume that no state funds will be available and then it mentions that relocation must be achieved, time schedules for any recommendations, and talks about money. Are we talking about buying these houses? Representative McComas stated it is a study to look at other options available and relocation of the channel to an alignment that is protective of the north end of the town of Wrightsville Beach against forces of erosion threatening property located at or adjacent to the inlet and that does not create a threat to the houses located on the south end of Figure Eight Island. He noted his obligation to constituents to get the process rolling. There are no state funds, and this will get some movement going and perhaps we can come up with something that will be presentable to the General Assembly, the department, homeowners, and everyone involved. Representative Allen stated that he felt there was not anything that could be done and is unfortunate they built there, but the state has an obligation to its citizens to continue the study.

Representative Baker reported to the committee that tomorrow there would be an opportunity to adjust by vote anything that is in the budget, special provisions, or dollars but until we know where we stand with the dollars and breakdown, we will not be able to take any votes. The meeting tomorrow will be open and a consensus will be reached.

There being no further business, the meeting was adjourned at 9:35 a.m.

Respectfully submitted,



Representative Rex Baker
Co-Chair



Jo Hinton
Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 15, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
Debbie Street	Parkway Adams + Bernstein
Ed Adams	USSNC. Battleship Commission
Margaret Malone	NC Housing Finance Agency
Sandra Long	HTF
Jim Brown &	State Ports
Ed Regan	N.C. Assoc. of Co. Commissioners
Kim Saffell	NCLM
Andy Romanet	N.C.L.M.
Patricia D. Yancey	LEPP
John Gardner	TDA
Joe McCles	TDA
Don Cope	Labor { Harveyville)
Beckie Brown	Labor { Harveyville)
Rob Schell	NCJDC
Mike Gilliam	Self-Help
John Brotherton	UNC-GA) NCSU Ag Econ
BUCK LATTIMORE	NC INDUSTRIAL COMMISSION
Justus	NCPC
Steve Woodson	NC Farm Bureau Federation
Katie Adams	CCNC
Bob Peck	NC DOC
Lisa Taffey	DENR - Office of Environmental Education
Mandy Pearson	Capital Group

11

July 15, 1998

Date _____

• • •

FIRM OR AGENCY AND ADDRESS[illegible]

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Housing Finance Agency									
1	Housing Trust Fund	-	2,000,000			2,000,000			2,000,000	
	Sub-Total HFA	-	2,000,000		-	2,000,000		-	2,000,000	0.0
	Department of Agriculture and Consumer Services									
2	Automated Information and Technical Support	306,628		3.0	151,522	155,106	3.0	151,522	155,106	3.0
3	Animal Waste, Soil and Plant Testing				271,668	144,600	4.0	271,668	144,600	4.0
4	Famland Preservation Trust Fund					500,000			0	
5	Department Wide - Receipts Adjustments	(210,600)			(210,600)			(210,600)		
6	Albemarle Farmers' Market					50,000			0	
7	Jacksonville-Onslow Farmers' Market					50,000			0	
8	Seafood and Aquaculture Marketing	300,000				300,000			0	
9	Goodness Grows in NC					200,000			200,000	
10	Structural Pest Control Program Improvements				262,650	80,350	7.0	262,650	80,350	7.0
11	Small, Family Farms (Marketing/Promotion)								50,000	
12	Small, Family-Owned Farms Loan Program								1,500,000	
13	Small, Family Dairy Farm Grants								1,500,000	
14	Pseudorabies Eradication								150,000	
15	Pesticide/Food Lab Funds							442,095	290,000	10.0
16	Local Agricultural Fairs Grant Funds								150,000	
17	Local Farmers' Markets Grant Funds								200,000	
	Sub-Total Ag	396,028	-	3.0	475,240	1,480,056	14.0	917,335	4,420,056	24.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Department of Labor									
18	Office Equipment for Move to Old Revenue Building	-	-		-	190,000			190,000	
19	Information Highway site								30,000	
	Sub-Total Labor	-	-		-	190,000		-	220,000	0.0
	Department of Environment and Natural Resources									
20	Controller's Office - Reduce Salary Reserve	(5,053)			(5,053)			(5,053)		
21	Executive Offices - Eliminate Vacant Position	(82,134)		(1.0)	(82,134)		(1.0)	(82,134)		(1.0)
22	Conservation Tax Credit Program and Grant Funds	194,677	113,500	2.0	149,990	206,500	1.0	0	0	
23	General Services - Reduce Salary Reserve	(10,000)			(10,000)			(10,000)		
24	Regional Offices - Reduce Operating Funds	(31,416)			(31,416)			(31,416)		
25	Forestry - Improve Efficiency and Computer Technology	(311,034)			(311,034)			(311,034)		
26	Forestry - Insurance for CL-215		160,000			160,000			116,000	
27	Forestry - District 12 Helicopter Funds				167,860		2.0	167,860		2.0
28	DMF - Reduce Operating Support	(130,000)			(130,000)			(130,000)		
29	DMF - License Administration Funds	246,088		6.0	246,088		6.0	246,088		6.0
30	DMF - Staff Support for Appeals Review	29,738	3,800	1.0	29,738	3,800	1.0	0	0	
31	DMF - Fisheries Management Plans	1,604,496		26.0	540,158	142,500	10.0	540,158	142,500	10.0
32	DMF - Coastal Habitat Protection Plans	263,304		5.0	160,170	15,300	3.0	160,170	15,300	3.0
33	DMF - Information Technology Funds	1,142,278	452,453	2.0	72,223	1,492,508	2.0		1,000,000	
34	Museum - Reduce Supplies	(39,513)			(39,513)			(39,513)		
35	Museum - Additional Funds for Grassroots Science					3,250,000		35,000		
36	Zoo - Adjust Equipment/Vehicle Replacement Schedule	(133,079)			(133,079)			(133,079)		
37	Environmental Education - Grant Funds		350,000			200,000			200,000	
38	Parks - Increase Receipts	(100,000)			(100,000)			(100,000)		
39	Parks - Expand Natural Heritage Program	216,737	26,300	4.5	216,737	26,300	4.5		250,000	
40	Parks - Adopt-a-Trail Program					100,000			0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
41	DSWC - Technical Assistance for Animal Waste	(185,445)		(5.5)	(185,445)		(5.5)	(185,445)		(5.5)
42	DSWC - Ag Cost Share Program		3,500,000			1,000,000			500,000	
43	DSWC - Soil and Water District Travel Funds	150,000				50,000			50,000	
44	Air Quality - Reduce Operating Support	(14,892)			(14,892)			(14,892)		
45	Coastal - Reduce Operating Support	(30,004)			(30,004)			(30,004)		
46	Coastal - Chevron/OCS Response	137,559	260,000	2.0		367,023	1.0	0	0	
47	DEH - Reduce Staff and Operating Support	(72,210)		(0.5)	(72,210)		(0.5)	(72,210)		(0.5)
48	DEH - Food Sanitation Training Funds		100,000			100,000			100,000	
49	DEH - Federal Water Supply Assistance Match		2,571,880			2,571,880			special provision	
50	Land Resources - Reduce Operating Support	(42,861)			(42,861)			(42,861)		
51	Land Resources - Sedimentation/Erosion Control	1,789,448	360,282	30.0	338,570	24,000	6.0	282,140	20,000	5.0
52	PPEA - Reduce Pollution Prevention Grants	(24,362)			(24,362)			(24,362)		
53	Waste Management - Eliminate Position	(45,095)		(1.0)	(45,095)		(1.0)	(45,095)		(1.0)
54	DWQ - Operating Support	250,533	749,467		250,533			0	0	
55	DWQ - Basinwide Data Management Initiative	201,000	1,561,830	1.0		500,000		0	0	
56	DWQ - Increase Compliance/Reduce Spills	780,531	60,000	15.0	332,280	28,000	7.0	0	0	
57	DWQ - Groundwater Pollution Prevention & Control	721,479	256,587	12.0	721,479	256,587	12.0	0	0	
58	DWQ - Neuse/Tar-Pam Rapid Response Teams	544,634	226,774	8.0	544,634	226,774	8.0	0	0	
59	DWQ - Water Quality Monitoring	2,068,670	1,827,296	10.0	164,080	2,872,980	4.0		special provision	
60	DWQ - Federal Wastewater Assistance Match		4,860,532			4,860,532			special provision	
61	DWR - Real Time Stream Gauge Data	10,000	170,000		10,000	170,000		10,000	170,000	
62	DWR - Groundwater Resource Management	850,000	15,000	5.0	414,724	386,598	4.0	0	0	
63	Partnership for the Sounds	150,000	150,000		150,000	250,000		0	0	
64	Alternative Animal Waste Technology-NCSU		750,000			750,000			375,000	
65	Neuse Modeling and Monitoring Program		880,000			720,000			0	
66	Upper Neuse River Basin Association					300,000			0	
67	New River Monitoring Funds					50,000			0	
68	Museum of Life & Science (BioQuest)		2,500,000			500,000			0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
69	LLRW - Facility Siting Assistance Funds					100,000			100,000	
70	County Recreational Building					50,000			0	
71	Reduce Contracts and Operating Support - LLRW				(500,000)			(1,123,219)		(10.0)
72	WRC - Beaver Control Program					500,000			500,000	
73	Environmental Education - River Basin Education	85,429	32,500	1.0				0	0	
74	DSWC - Water Basin Positions	107,148	86,500	2.0					150,000	
75	DWQ - Basinwide Enhancement & Implementation	534,957	23,669	10.0				0	0	
76	DEH - Recreational Water Quality Monitoring	622,262	27,000	7.0				0	0	
77	DWR - Stream Watch/Project Wet	45,000		1.0				0		
78	Pfisteria Research		120,000						0	
79	Forestry - Water Quality Foresters	344,286	71,200	7.0				344,286	71,200	7.0
80	DSWC - Ag Cost Share Technical Assistance	1,000,000							200,000	
81	DSWC - Computer Funding	36,000	25,000					36,000	25,000	
82	DEH - Safe Wells	1,514,751	42,000	8.0				0	0	
83	DEH - On-site Wastewater Expansion	549,954	7,240	8.0				0	0	
84	DMF - Enhance Maintenance Section	195,058	17,250	3.0				0	0	
85	DMF - Administrative Support	110,380		4.0				0		
86	Parks - Parks Biologists	208,100	37,000	4.0				208,100	37,000	4.0
87	Parks - Staff and Lifeguards - Falls and Jordan Lakes	224,296	16,365	2.0				0	0	
88	Natural Resources Marketing		750,000						0	
89	Parks - Jocassee Gorges Operations	183,935	162,000	5.0				0	0	
90	Improve Customer Service		50,000						0	
91	DEH - Improve Child Care Sanitation Services	570,434	19,500	3.0				0	0	
92	Oregon Inlet - Sand Study								100,000	
93	Oregon Inlet Stabilization Study Commission								0	
94	DSWC - Junaluska Creek Damage Funds								7,500	
95	Isotope Study - Transfer to NCSU								321,000	
96	Executive Offices - Eliminate Assistant Secretary and Staff							(204,726)		(3.0)
	Sub-Total DENR	16,426,064	23,392,925	186.5	2,752,166	22,231,282	63.5	(555,241)	4,450,500	16.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Department of Commerce									
97	Industrial Recruitment Competitive Fund		5,000,000			3,000,000			1,000,000	
98	Bus/Industry Marketing and Advertising Combined					500,000			500,000	
99	DCA - Upper Coastal Plain COG					150,000			0	
100	DCA - Land Use Planning					250,000			0	
101	Industrial Commission - Reduce Operating Support	(93,322)		(1.0)	(93,322)		(1.0)	(93,322)		(1.0)
102	Industrial Commission - Temporary Positions		100,000			100,000			100,000	
103	Industrial Development - Utility Account		14,000,000			3,000,000			1,000,000	
104	NC ACTS - Reduce Director's Salary	(24,356)			(24,356)			(24,356)		
105	Year of the Mountain Planning Initiative					300,000			0	
106	Special Olympics 1999 World Summer Games		3,400,000			3,000,000			3,000,000	
107	Regional Economic Development Commissions	350,000			350,000			0		
108	North Carolina Progress Board		400,000			400,000			0	
109	Institute for Aeronautical Technology		5,000,000			4,000,000			0	
110	Transfer Boxing Commission				202,770		3.0			
111	Travel - Reduce Printing	(100,000)			(100,000)			(100,000)		
112	Travel - Advertising & Marketing Funds Combined					2,200,000			0	
113	Travel - International Marketing Efforts		1,000,000						700,000	
114	Travel - General Advertising/Marketing		1,000,000						700,000	
115	Travel - Rural Tourism Grant Funds					300,000			100,000	
116	Wanchese - Oregon Inlet Project				339,000	11,000	2.0	0	0	
117	NC Business Court	138,188	135,000		Funded in Senate JPS			To be handled in JPS		
118	Film Office Advertising and Promotion	77,000	400,000	1.0				64,803	0	1.0
119	Travel - US Open		1,000,000						1,000,000	
120	Bus/Industry-Marketing Missions/Trade Shows		250,000						0	
121	Bus/Industry-General Advertising/Marketing		500,000						0	
122	Certified Economic Development Training		25,000						0	

BUDGET COMPARISONS										
NATURAL AND ECONOMIC RESOURCES										
		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
123	Industrial Dev.-Building Renovation/Utility Infrastructure		18,000,000						0	
124	State Development Zones		2,000,000						1,000,000	
125	Global Transpark Marketing		150,000						0	
126	NC Government Competition Commission							218,000	14,700	3.0
127	DCA - Historic Waterfront Revitalization Grant Funds								400,000	
	Sub-Total Commerce	347,510	52,360,000	0.0	674,092	17,211,000	4.0	65,125	9,514,700	3.0
	State Aid to Non-State Entities									
128	NC Coalition of Farm and Rural Families	250,000				250,000			0	
129	NC Global Center		250,000			500,000			0	
130	Charlotte/Mecklenburg Development Corporation					1,000,000			0	
131	Stanly/Montgomery County Airport Authorities					250,000			0	
132	NC Community Development Initiative					325,000			0	
133	Southern Piedmont Transit Authority					500,000			0	
134	Land Loss Prevention Project	350,000				350,000			350,000	
135	Town of Chadbourn - Emergency Repairs					500,000			0	
136	Yadkin/Pee Dee Lakes Project					150,000			150,000	
137	Minority Support Center	375,000				375,000			375,000	
138	Center for Community Self-Help					1,000,000			0	
139	Technological Development Authority					3,500,000			3,500,000	
140	Care Trak System Pilot Program Funds								141,400	
141	4-H/Eastern Ag Livestock Arena		600,000			600,000			600,000	
142	NC Institute of Minority Economic Development	1,000,000				1,000,000			1,000,000	
143	William States Lee Leadership Institute		3,000,000			2,000,000			0	
144	Duplin Multi-Purpose Center Funds					250,000			0	
145	Jones Economic Development Funds					200,000			0	
146	World Trade Center		300,000						200,000	
147	Textile Museum								100,000	
	Sub-Total State Aid	1,975,000	4,150,000		-	12,750,000		-	6,416,400	0.0

BUDGET COMPARISONS											
NATURAL AND ECONOMIC RESOURCES											
			Governor's			Senate			House		
			Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	
	MCNC										
148	Administrative Reduction	(30,750)						0			
149	Temporary Operating Support		2,030,750						0		
150	Increase and Adjust Final Year of State Funding				(2,500,000)	4,500,000		0	0		
151	Reallocate Final Year Funding							(2,500,000)	2,500,000		
	Sub-Total MCNC	(30,750)	2,030,750		(2,500,000)	4,500,000		(2,500,000)	2,500,000	0.0	
	NC Biotechnology Center										
152	Administrative Reduction	(25,483)			(25,483)			(25,483)			
153	NC Bioscience Investment Fund, L.L.C					2,500,000			0		
	Sub-Total Biotech	(25,483)	-		(25,483)	2,500,000		(25,483)	-	0.0	
	REDC										
154	Administrative Reduction	(12,662)			(12,662)			(12,662)			
155	Supplemental Funding Program	2,825,000	1,000,000			3,565,000			8,000,000		
156	Capacity Grants Program	200,000				200,000			200,000		
157	Research and Demonstration Grants Program								50,000		
158	Administration -- Supplemental & Capacity	125,000				60,000			0		
159	NC Association of CDC's	200,000				200,000			275,000		
160	Administration -- General							150,000			
	Sub-Total REDC	3,337,338	1,000,000		(12,662)	4,025,000		137,338	8,525,000	0.0	
	SIPS										
161	IRM Positions Shift to Receipts	(263,791)		(4.0)	(271,530)		(4.0)	(271,530)		(4.0)	
162	Continue and Expand NC Information Highway		6,143,160			6,143,160			6,143,160		
	Sub-Total SIPS	(263,791)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)	
	GRAND TOTAL - NER	22,161,916	91,076,835	185.5	1,091,823	73,030,498	77.5	(2,232,456)	44,189,816	39.0	
	Availability							0			

CODE NO. 98LAB-HQ02

Requested by: Representatives Mitchell, Baker, Carpenter

DEPARTMENT OF LABOR/BUDGET OVER-REALIZED INDIRECT COST RECEIPTS

1 Sec. e. The Department of Labor may budget over-
2 realized indirect cost receipts in the 1998-99 fiscal year to
3 fund the following:
4 (1) Departmental technology needs, and
5 (2) Costs to relocate selected Divisions of the
6 Department of Labor to the Old Revenue Building.
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8
9
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Requested by: Representative Baker

PROTECT SOLVENCY OF LEAKING PETROLEUM UNDERGROUND STORAGE TANKS

1 Section @. G.S. 143-215.94E reads as rewritten:

2 "\$ 143-215.94E. Rights and obligations of the owner and
3 operator.

4 (a) Upon a determination that a discharge or release of
5 petroleum from an underground storage tank has occurred, the
6 owner or operator shall notify the Department pursuant to G.S.
7 143-215.85. The In the case of a discharge or release from a
8 noncommercial underground storage tank, the owner or operator
9 shall immediately undertake to collect and remove the discharge
10 or release and to restore the area affected in accordance with
11 the requirements of this Article. In the case of a discharge or
12 release from a commercial underground storage tank, the owner or
13 operator shall immediately undertake to conduct any initial
14 response or abatement of the discharge or release or any
15 assessment of the site that the Department directs, and under
16 subsection (a1) of this section, preapproves. In the case of a
17 discharge or release from a commercial underground storage tank
18 and notwithstanding G.S. 143-215.84, the owner or operator is not
19 required to cleanup until the owner or operator is notified by
20 the Commission that, pursuant to G.S. 143-215.94V, sufficient
21 risk exists to human health or the environment to require the
22 cleanup.

23 (a1) The Commission shall adopt rules regarding discharges and
24 releases from commercial underground storage tanks for
25 preapproval by the Department of assessments directed by the
26 Department, cleanups required by the Commission pursuant to G.S.
27 143-215.94V, and the associated projected costs of each. The
28 assessment or cleanup shall not proceed unless it and its
29 associated costs have been preapproved by the Department. Within
30 60 days of being directed by the Department to conduct an
31 assessment for which the costs described in subsection (b) or
32 (b1) of G.S. 143-215.94B exceed the amounts for which the owner
33 or operator is responsible under that subsection, the owner or
34 operator shall submit to the Department a proposal for the
35 assessment and its associated costs. Within 60 days of being
36 notified by the Commission that cleanup is required under G.S.
37 143-215.94V, the owner or operator shall submit to the Department
38 a proposal for the cleanup and its associated costs. Payment or
39 reimbursement from the Commercial Fund shall be contingent upon

1 the Department's preapproval of the assessment or cleanup and of
2 its associated costs and contingent upon, subject to G.S. 143-
3 215.94B(a), the availability of unobligated monies in the
4 Commercial Fund sufficient to cover these costs. The Department
5 shall preapprove cleanup of discharges or releases under the
6 prioritization under G.S. 143-215.94V in order from the discharge
7 or release that poses the highest risk to the lowest risk. For
8 discharges or releases of equal risk, the Department shall
9 preapprove cleanup in the order in which the release or discharge
10 was reported to the Department. If preapproval is granted and
11 unobligated monies in the Commercial Fund are available for the
12 assessment or the cleanup and if the associated costs described
13 in subsection (b) or (b1) of G.S. 143-215.94B exceed the amounts
14 for which the owner or operator is responsible under that
15 subsection, the Department shall enter into a funding commitment
16 agreement with the owner or operator for the assessment or
17 cleanup. This agreement shall set out the time periods in which
18 the assessment or cleanup is to be concluded, reports are to be
19 completed, and invoices are to be submitted to the Department.
20 Specific terms of these provisions shall be determined by the
21 Department on a case by case basis. Subject to G.S. 143-
22 215.94B(a), the Department shall obligate monies in the
23 Commercial Fund in the amount of the preapproved costs for all
24 assessments and cleanups for which payment or reimbursement of
25 the costs described in subsection (b) or (b1) of G.S. 143-215.94B
26 exceed the amounts for which the owner or operator is responsible
27 under that subsection. The Department shall release obligated
28 monies in the Commercial Fund if the completion deadline set
29 forth in the funding commitment agreement is not met and the
30 Department has not agreed in writing to extend that date. All
31 requests for preapproval of cleanups shall be in writing. The
32 rules required by this subsection shall provide whether and when
33 requests for preapproval of assessments may be in writing or may
34 be otherwise submitted. Once a preapproved assessment or cleanup
35 is undertaken and unforeseen circumstances are encountered, the
36 owner or operator shall notify the Department and request
37 modification of the funding commitment agreement. An owner or
38 operator may petition the Department for permission to proceed
39 with an assessment or cleanup without requesting or receiving
40 preapproval. The rules required by this subsection shall specify
41 the circumstances under which the owner or operator is able to
42 subsequently receive reimbursement from the Commercial Fund for
43 such assessment or cleanup.

1 (b) In the case of a discharge or release from a commercial
2 underground storage tank where the owner or operator has been
3 identified and has proceeded with ~~cleanup~~, cleanup in accordance
4 with subsection (a1) of this section, the owner or operator may
5 elect to have the Commercial Fund pay or reimburse the owner or
6 operator for any costs described in subsection (b) or (b1) of
7 G.S. 143-215.94B that exceed the amounts for which the owner or
8 operator is responsible under that subsection. The sum of
9 payments by the owner or operator and the payments from the
10 Commercial Fund shall not exceed one million dollars (\$1,000,000)
11 per discharge or release except as provided in G.S. 143-
12 215.94B(b2).

13 (b1) In the case of a discharge or release from a commercial
14 underground storage tank where the owner and operator cannot be
15 identified or located, or where the owner and operator fail to
16 proceed as required by ~~subsection (a)~~ subsections (a) and (a1) of
17 this section, if the current landowner of the land in which the
18 commercial underground storage tank is located notifies the
19 Department in accordance with G.S. 143-215.85 and undertakes ~~to~~
20 ~~collect and remove the discharge or release and to restore the~~
21 ~~area affected to act~~ in accordance with the requirements of this
22 Article and applicable federal and State laws, regulations, and
23 rules, the current landowner may ~~elect~~ elect, subject to the
24 preapproval requirements under subsection (a1) of this section,
25 to have the Commercial Fund pay or reimburse the current
26 landowner for any costs described in subdivisions (1), (2), (2a),
27 (3), and (4) of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) that
28 exceed the amounts for which the owner or operator is responsible
29 under that subsection. The current landowner is not eligible for
30 payment or reimbursement until the current landowner has ~~paid~~
31 entered into a funding commitment agreement for the costs
32 described in subdivisions (1), (2), (2a), (3), and (4) of G.S.
33 143-215.94B(b) or G.S. 143-215.94B(b1) for which the owner or
34 operator is responsible. Eligibility for reimbursement payments
35 under this subsection may be transferred by contract that
36 supercedes the funding commitment agreement from a current
37 landowner who has received preapproval of the cleanup and paid
38 the costs described in subdivisions (1), (2), (2a), (3), and (4)
39 of G.S. 143-215.94B(b) or G.S. 143-215.94B(b1) to a subsequent
40 landowner. The sum of payments from the Commercial Fund and from
41 all other sources shall not exceed one million dollars
42 (\$1,000,000) per discharge or release except as provided in G.S.
43 143-215.94B(b2). This subsection shall not be construed to
44 require a current landowner to cleanup a discharge or release of

1 petroleum from an underground storage tank for which the current
2 landowner is not otherwise responsible. This subsection does not
3 alter any right, duty, obligation, or liability of a current
4 landowner, former landowner, subsequent landowner, owner, or
5 operator under other provisions of law. This subsection shall not
6 be construed to limit the authority of the Department to engage
7 in a cleanup under this Article or any other provision of law. In
8 the event that an owner or operator is subsequently identified or
9 located, the Secretary shall seek reimbursement as provided in
10 G.S. 143-215.94G(d). The current landowner shall submit
11 documentation of all preapproved expenditures as required by G.S.
12 ~~143-215.94G(b)~~ 143-215.94G(b) and subsection (a) of this
13 section.

14 (c) In the case of a discharge or release from a noncommercial
15 underground storage tank or a commercial underground storage tank
16 eligible for the Noncommercial Fund in accordance with G.S. 143-
17 215.94D(b), the owner or operator may elect to have the
18 Noncommercial Fund pay or reimburse the owner or operator for the
19 costs described in G.S. 143-215.94D(b1) up to a maximum of one
20 million dollars (\$1,000,000) per discharge or release.

21 (c1) (Expires October 1, 1997) In the case of a discharge or
22 release from a noncommercial underground storage tank where the
23 owner and operator cannot be identified or located, or where the
24 owner and operator fail to proceed as required by subsection (a)
25 of this section, if the current landowner of the land in which
26 the noncommercial underground storage tank is located notifies
27 the Department in accordance with G.S. 143-215.85 and undertakes
28 to collect and remove the discharge or release and to restore the
29 area affected in accordance with the requirements of this Article
30 and applicable federal and State laws, regulations, and rules,
31 the current landowner may elect to have the Noncommercial Fund
32 pay or reimburse the current landowner for ninety percent (90%)
33 of any costs described in subdivisions (1) and (2) of G.S. 143-
34 215.94D(b1) that exceed five thousand dollars (\$5,000).
35 Eligibility for reimbursement under this subsection may be
36 transferred to a subsequent landowner from a current landowner
37 who has paid the costs for which the landowner is responsible
38 under this subsection. The sum of payments from the Noncommercial
39 Fund and from all other sources shall not exceed one million
40 dollars (\$1,000,000) per discharge or release. This subsection
41 shall not be construed to require a current landowner to clean up
42 a discharge or release of petroleum from an underground storage
43 tank for which the current landowner is not otherwise
44 responsible. This subsection does not alter any right, duty,

1 obligation, or liability of a current landowner, former
2 landowner, subsequent landowner, owner, or operator under other
3 provisions of law. This subsection shall not be construed to
4 limit the authority of the Department to engage in a cleanup
5 under this Article or any other provision of law. The current
6 landowner shall submit documentation of all expenditures as
7 required by G.S. 143-215.94G(b).

8 (d) In any case where the costs described in G.S. 143-
9 215.94B(b), 143-215.94B(b1), or 143-215.94D(b1) exceed one
10 million dollars (\$1,000,000), or one million five hundred
11 thousand dollars (\$1,500,000) if G.S. 143-215.94B(b2) applies,
12 the provisions of Article 21A of this Chapter or any other
13 applicable statute or common law principle regarding liability
14 shall apply for the amount in excess of one million dollars
15 (\$1,000,000) or, if G.S. 143-215.94B(b2) applies, one million
16 five hundred thousand dollars (\$1,500,000). Nothing contained in
17 this Part shall limit or modify any liability that any party may
18 have pursuant to Article 21A of this Chapter, any other
19 applicable statute, or at common law.

20 (e) When the owner or operator pays the costs described in
21 G.S. 143-215.94B(b), 143-215.94B(b1), or 143-215.94D(b1)
22 resulting from a discharge or release of petroleum from an
23 underground storage tank, the owner or operator may seek
24 reimbursement from the appropriate fund for any costs ~~he~~ the
25 owner or operator may elect to have either the Commercial Fund or
26 the Noncommercial Fund pay in accordance with subsections ~~(b)~~
27 (a1), (b), and (c) of this section. ~~The~~ Subject to subsection
28 (a1) for discharges or releases from commercial underground
29 storage tanks, the Department shall reimburse the owner or
30 operator for all costs he the owner or operator may elect to have
31 the appropriate fund pay that the Department determines to be
32 reasonable and necessary and for which appropriate documentation
33 is submitted. The Department may contract for any services
34 necessary to evaluate any claim for preapproval of costs from the
35 Commercial Fund or reimbursement or compensation payment from
36 either the Commercial Fund or the Noncommercial Fund, may
37 contract for any expert witness or consultant services necessary
38 to defend any decision to pay or deny any claim for preapproval
39 or reimbursement, and may pay the cost of these services from the
40 fund against which the claim is made; provided that in made. In
41 any fiscal year the Department shall not expend from either fund
42 the Noncommercial Fund more than one percent (1%) of the
43 unobligated balance of the fund on 30 June of the previous fiscal
44 year. Except as provided in G.S. 143-215.94B(a), the Department

1 shall not at any time expend or obligate any monies from the
2 Commercial Fund that would cause the unobligated balance of that
3 fund to be less than two million dollars (\$2,000,000). The cost
4 of contractual services to evaluate a claim or for expert witness
5 or consultant services to defend a decision with respect to a
6 claim shall be included as costs under G.S. 143-215.94B(b) and
7 G.S. 143-215.94D(b1). The Commission shall adopt rules governing
8 preapproval and reimbursement of necessary and reasonable costs.
9 An owner or operator whose claim for preapproval or reimbursement
10 is denied may appeal a decision of the Department as provided in
11 Article 3 of Chapter 150B of the General Statutes. If the owner
12 or operator is eligible for reimbursement from the Noncommercial
13 Fund under this section and the cleanup extends beyond a period
14 of three months, the owner or operator may apply to the
15 Department for interim reimbursements to which he the owner or
16 operator is entitled under this section on a quarterly basis. If
17 the Department fails to notify an owner or operator of its
18 decision on a claim for preapproval of costs to be paid from the
19 Commercial Fund or for reimbursement from the Noncommercial Fund
20 under this subsection within 90 days after the date the claim is
21 received by the Department, the owner or operator may elect to
22 consider the claim to have been denied, and may appeal the denial
23 as provided in Article 3 of Chapter 150B of the General Statutes.
24 (e1) The Department shall not pay any third party or reimburse
25 any owner or operator who has paid any third party pursuant to
26 any settlement agreement or consent judgment relating to a claim
27 by or on behalf of a third party for compensation for bodily
28 injury or property damage unless the Department has approved the
29 settlement agreement or consent judgment prior to entry into the
30 settlement agreement or consent judgment by the parties or entry
31 of a consent judgment by the court. The approval or disapproval
32 by the Department of a proposed settlement agreement or consent
33 judgment shall be subject to challenge only in a contested case
34 filed under Chapter 150B of the General Statutes. The Secretary
35 shall make the final agency decision in a contested case
36 proceeding under this subsection.
37 (f) The Department shall not reimburse any owner or operator
38 from the Noncommercial Fund until the fund from which
39 reimbursement will be made that fund reaches one million dollars
40 (\$1,000,000). The Department shall not pay or reimburse any
41 owner or operator from the Commercial Fund until that fund
42 reaches in excess of three million dollars in unobligated funds
43 as provided in G.S. 143-215.94B.

1 (f1) Any person seeking payment or reimbursement from either
2 the Commercial Fund or the Noncommercial Fund shall certify to
3 the Department that the costs to be paid or reimbursed by the
4 Commercial Fund or the Noncommercial Fund are not eligible to be
5 paid or reimbursed by or from any other source, including any
6 contract of insurance. If any cost paid or reimbursed by the
7 Commercial Fund or the Noncommercial Fund is eligible to be paid
8 or reimbursed by or from another source, that cost shall not be
9 paid from, or if paid shall be repaid to, the Commercial Fund or
10 the Noncommercial Fund. As used in this Part, the phrase 'any
11 other source including any contract of insurance' does not
12 include self-insurance.

13 (g) No owner or operator shall be paid or reimbursed pursuant
14 to this section, and the Department shall seek payment or
15 reimbursement of the appropriate fund or of the Department for
16 any monies disbursed from the appropriate fund or expended by the
17 Department if:

18 (1) The owner or operator has willfully violated any
19 substantive law, rule, or regulation applicable to
20 underground storage tanks and intended to prevent
21 or mitigate discharges or releases or to facilitate
22 the early detection of discharges or releases;

23 (2) The discharge or release is the result of the
24 owner's or operator's willful or wanton misconduct;
25 or

26 (3) The owner or operator has failed to pay any annual
27 tank operating fee due pursuant to G.S. 143-
28 215.94C.

29 (4) The owner or operator has failed to comply with the
30 requirements of subsection (a1) of this section or
31 rules adopted pursuant to that subsection.

32 (h) Subdivision (1) of subsection (g) of this section shall
33 not be construed to limit the right of an owner or operator to
34 contest notices of violation or orders issued by the Department.
35 Subdivision (1) of subsection (g) of this section shall not apply
36 to a payment or reimbursement pursuant to this section if, at the
37 time of the discharge or release, the owner or operator holds a
38 valid operating permit as required by G.S. 143-215.94U.

39 (i) An owner or operator who notifies the Department of an
40 intention to close or upgrade a commercial underground storage
41 tank as provided in G.S. 143-215.94B(b)(2a) shall commence the
42 closure or upgrade prior to 1 July 1994 and shall complete the
43 closure or upgrade prior to 1 January 1995. An owner who notifies
44 the Department of an intention to close or upgrade a commercial

1 underground storage tank and who fails to commence and complete
2 the closure as specified in this subsection is subject to a civil
3 penalty as provided in G.S. 143-215.94K. The provisions of G.S.
4 143-215.94B(b)(2a) do not apply if an owner or operator who
5 notifies the Department of an intention to close or upgrade a
6 commercial underground storage tank fails to commence or complete
7 the closure or upgrade within the dates specified in this
8 subsection."

9 (b) G.S. 143-215.94B(a) reads as rewritten:

10 "(a) There is established under the control and direction of
11 the Department the Commercial Leaking Petroleum Underground
12 Storage Tank Cleanup Fund. This Commercial Fund shall be a
13 nonreverting revolving fund consisting of any monies appropriated
14 for such purpose by the General Assembly or available to it from
15 grants, other monies paid to it or recovered on behalf of the
16 Commercial Fund, and fees paid pursuant to this Part. A minimum
17 balance of three million dollars (\$3,000,000) in unobligated
18 funds shall be reserved in the Commercial Fund and this balance
19 shall be used only as follows:

20 (1) The sum of one million dollars (\$1,000,000) shall
21 be used for the costs to the Department of
22 administering the program under this Part and Part
23 2B of this Article.

24 (2) The sum of two million dollars (\$2,000,000) shall
25 be used for cleanups under G.S. 143-215.94G that,
26 pursuant to G.S. 143-215.94V, pose a serious and
27 imminent risk of harm to human health or the
28 environment. When the Commercial Fund is used for
29 a cleanup under this subdivision and the reserved
30 balance in the Commercial Fund falls to a balance
31 in unobligated funds of less than two million
32 dollars (\$2,000,000), the Department shall not
33 obligate any monies from the Commercial Fund for
34 assessments or cleanups pursuant to the other
35 subsections in this section and G.S. 143-
36 215.94E(a1) until the balance of this reserve in
37 the Commercial Fund is restored to a balance in
38 excess of two million dollars (\$2,000,000) in
39 unobligated funds."

40 (c) G.S. 143-215.94B(b) reads as rewritten:

41 "(b) The Subject to subsection (a) of this section, the
42 Commercial Fund shall be used for the payment of the following
43 costs up to an aggregate maximum of one million dollars
44 (\$1,000,000) per occurrence resulting from a discharge or release

1 of a petroleum product from a commercial underground storage
2 tank:

- 3 (1) For discharges or releases discovered or reported
4 between 30 June 1988 and 31 December 1991
5 inclusive, the cleanup of environmental damage as
6 required by G.S. 143-215.94E(a) in excess of fifty
7 thousand dollars (\$50,000) per occurrence.
- 8 (2) For discharges or releases discovered on or after 1
9 January 1992 and reported between 1 January 1992
10 and 31 December 1993 inclusive, the cleanup of
11 environmental damage as required by G.S. 143-
12 215.94E(a) in excess of twenty thousand dollars
13 (\$20,000) per occurrence.
- 14 (2a) For discharges or releases discovered and reported
15 on or after 1 January 1994 and prior to 1 January
16 1995, the cleanup of environmental damage as
17 required by G.S. 143-215.94E(a) in excess of twenty
18 thousand dollars (\$20,000) if the owner or operator
19 (i) notifies the Department prior to 1 January 1994
20 of its intent to permanently close the tank in
21 accordance with applicable regulations or to
22 upgrade the tank to meet the requirements that
23 existing underground storage tanks must meet by 22
24 December 1998, (ii) commences closure or upgrade of
25 the tank prior to 1 July 1994, and (iii) completes
26 closure or upgrade of the tank prior to 1 January
27 1995.
- 28 (3) For discharges or releases reported on or after 1
29 January 1994, the cleanup of environmental damage
30 as required by G.S. 143-215.94E(a) in excess of
31 twenty thousand dollars (\$20,000) if, prior to the
32 discharge or release, the commercial underground
33 storage tank from which the discharge or release
34 occurred met the performance standards applicable
35 to tanks installed after 22 December 1988 or met
36 the requirements that existing underground storage
37 tanks must meet by 22 December 1998.
- 38 (4) For discharges or releases reported on or after 1
39 January 1994 from a commercial underground storage
40 tank that does not qualify under subdivision (2a)
41 of this subsection or does not meet the standards
42 in subdivision (3) of this subsection, sixty
43 percent (60%) of the costs per occurrence of the
44 cleanup of environmental damage as required by G.S.

1 143-215.94E(a) that exceeds twenty thousand dollars
2 (\$20,000) but is not more than one hundred fifty-
3 seven thousand five hundred dollars (\$157,500) and
4 one hundred percent (100%) of the costs above this
5 amount, up to the limits established in this
6 section.

7 (5) Compensation to third parties for bodily injury and
8 property damage in excess of one hundred thousand
9 dollars (\$100,000) per occurrence.

10 (6) Reimbursing the State for damages or other costs
11 incurred as a result of a loan from the Loan Fund.
12 The per occurrence limit does not apply to
13 reimbursements to the State under this
14 subdivision."

15 (d) Notwithstanding G.S. 150B-21.1(a)(2) and 26 NCAC
16 2C.0102(11), the Environmental Management Commission may adopt
17 temporary rules no later than January 1, 1999 to implement
18 subsection (a) of this section.

19 ✓(e) This section applies only to assessments and
20 cleanups in progress or begun on or after the date on which the
21 rules adopted by the Commission pursuant to subsection (a) of
22 this section become effective.

CODE NO. 98COMM-H020

Requested by: Representatives Mitchell, Baker, Carpenter

FUNDS FOR CERTIFIED ECONOMIC DEVELOPMENT TRAINING

1 Sec. @. Notwithstanding G.S. 143-16.3, of the funds
2 appropriated in this act to the Department of Commerce, the
3 Department may use up to twenty-five thousand dollars (\$25,000)
4 to provide economic developers with Certified Economic
5 Development (CED) training, the nationally recognized training
6 standard for economic development professionals.

7

8

9

Requested by: Representatives Mitchell, Baker, Carpenter

WORLD TRADE CENTER OF NORTH CAROLINA/REPORT

1 Section @. The World Trade Center of North Carolina
2 shall:

- 3 (1) By January 15, 1999, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1997-98 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1997-98 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1998-99 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1998; and
14 d. State fiscal year 1998-99 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1998.
18 (2) Provide to the Fiscal Research Division a copy of
19 the organization's annual audited financial
20 statement within 30 days of issuance of the
21 statement.
22
23
24
25

Requested by: Representative Mitchell

POULTRY/RATITE DEALERS REGISTRATION

1 Section @. (a) G.S. 106-540(3) reads as rewritten:

2 "(3) Regulate hatching egg dealers, chick dealers, poult
3 dealers, poultry dealers, ratite dealers, and
4 jobbers."

5 (b) G.S. 106-541 reads as rewritten:

6 "§ 106-541. Definitions.

7 For the purpose of this ~~Article, a hatchery shall be defined as~~
8 Article, the following definitions apply:

9 (1) 'Hatchery' means any establishment that operates
10 hatchery equipment for the production of baby
11 chicks or poults.

12 (2) ~~A hatching~~ 'Hatching egg dealer, chick dealer or
13 ~~jobber shall mean dealer, or jobber'~~ means any
14 person, firm, or corporation that buys
15 hatching eggs, baby chicks, chicks, or turkey poults
16 and sells or offers them for sale.

17 (3) 'Live poultry or ratite dealer' means a person who
18 sells or offers for sale to the general public live
19 poultry or ratites. Live poultry or ratite dealer
20 does not include persons who sell on their own
21 premises live poultry or ratites that were raised
22 on the same premises.

23 (4) ~~The term "mixed~~ 'Mixed chicks' or 'assorted chicks'
24 ~~shall mean means~~ chicks produced from eggs from
25 purebred females of a distinct breed mated to a
26 purebred male of a distinct breed.

27 (5) 'Poultry' means live chickens, doves, ducks, geese,
28 grouse, guinea fowl, partridges, pea fowl,
29 pheasants, pigeons, quail, swans, or turkeys other
30 than chicks or poults.

31 (6) 'Ratite' has the same meaning as in G.S. 106-
32 549.15."

33 (c) G.S. 106-542 is amended by adding the following new
34 subsections:

35 "(b1) It shall be unlawful for any person, firm, or
36 corporation to operate as a live poultry or ratite dealer without
37 first registering with the Department of Agriculture and Consumer
38 Services.

1 (b2) It shall be unlawful for a specialty market operator, as
2 defined in G.S. 66-250, to knowingly and willfully permit an
3 unregistered poultry or ratite dealer to operate on the premises
4 of the specialty market, as defined in G.S. 66-250, more than 10
5 days after being notified in writing by the Department of
6 Agriculture and Consumer Services that the dealer is not
7 registered."

8 (d) G.S. 106-547 reads as rewritten:

9 "\$ 106-547. Records to be kept.

10 Every hatchery, hatching egg dealer, chick ~~dealer~~ dealer,
11 poultry dealer, ratite dealer, or jobber shall keep such records
12 of operation as the regulations of the Department of Agriculture
13 and Consumer Services may require for the proper inspection of
14 said hatchery, ~~dealer~~ dealer, or jobber."

15 (e) The Department of Agriculture and Consumer Services
16 shall use available funds for the 1998-99 fiscal year for the
17 enforcement of registration requirements for poultry and ratite
18 dealers as provided for in this section.

CODE NO. 98AGRIC-H009.03

Requested by: Representative Tolson

LEWIS STEAM POWERED SAWMILL RELOCATION

1 Section @. The Department of Agriculture and Consumer
2 Services may use up to two hundred twenty-five thousand dollars
3 (\$225,000) in available funds for the State fair for the 1998-99
4 fiscal year for the expenses of relocating the Lewis Steam
5 Powered Sawmill from Pitt County to the State Fairgrounds in
6 Raleigh and for the expenses of operating the sawmill.

CODE NO. 98ENV-H022.01

Requested by: Representative McComas

STUDY FEASIBILITY OF RELOCATING CHANNEL OF MASON'S INLET

1 Section @. The Division of Coastal Management and the
2 Division of Water Resources of the Department of Environment and
3 Natural Resources jointly shall study the feasibility of
4 relocating the channel of Mason's Inlet to an alignment that is
5 protective of the north end of the town of Wrightsville Beach
6 against the forces of erosion threatening property located at or
7 adjacent to the inlet and that does not create a threat to the
8 houses located on the south end of Figure Eight Island. The
9 study shall identify the time within which the relocation must be
10 achieved to bring meaningful relief to the threatened property
11 and what permit requirements apply and shall establish a time
12 schedule for any recommended relocation. The study shall include
13 local participation in the inlet channel relocation project and
14 acquisition of property. The study shall presume that no State
15 funds will be available for the inlet channel relocation project.
16 By October 15, 1998, the Department shall complete a final report
17 of this study, including its findings and recommendations, and
18 shall present this report at the next meeting of the Joint
19 Legislative Commission on Governmental Operations.

MINUTES

HOUSE APPROPRIATIONS SUBCOMMITTEE ON NATURAL AND ECONOMIC RESOURCES

JULY 16, 1998

The House Appropriations Subcommittee on Natural and Economic Resources met at 8:30 a.m. on July 16, 1998 in Room 643 in the Legislative Office Building.

Representative Frank Mitchell presided and the following members were present: Representatives Baker and Carpenter, Co-Chairs; Representatives Allen, Culp, Fox, Hall, H. Hunter, Owens and Tolson. Visitor registration sheet is attached and made part of the minutes.

Chairman Mitchell called the meeting to order at 8:45 a.m. and recognized the pages; Nicole Ringold from Craven County and Amy Webler from Mecklenburg County.

Chairman Mitchell turned the meeting over to Mark Trogden, staff to go over the Budget Comparisons (attachment 1). He identified and discussed changes on the following line items:

- Item 66 - Upper Neuse River Basin Association
- Item 113 - Travel - International Marketing Efforts
- Item 114 - Travel - General Advertising /Marketing
- Item 118 - Film Office Advertising and Promotion
- Item 119 - Travel - US Open
- Item 122 - Certified Economic Development Training
- Item 151 - Reallocate Final Year Funding

Chairman Mitchell asked for comments. Rep. Hall made a motion to accept. Motion carried.

Chairman Mitchell asked Jennifer Herrera to review the changes on the special provisions (attachment 2). She identified the following special provision with changes:

- Page 1 - NER Block Grant Funds
- Page 10A - Lewis Steam Powered Sawmill Relocation
- Page 24 - Randleman Dam Funds Do Not Revert
- Page 25A - Clean Water Management Trust Fund/Upper Neuse River Basin Watershed Management Program
- Page 41 - Historic Waterfront Revitalization
- Page 58 - MCNC

She pointed out that Page 63 - Extend Universal Service Rules Deadline was a new provision. All other provision had been reviewed previously.

Chairman Mitchell recognized Henry Lancaster to explain an additional provision change (attachment 3). Mr. Lancaster explained this replaces page 14 - Fishery Management Plans/Regional Advisory Committee in the special provisions. Motion carried.

Rep Jim Carpenter asked that \$35,000 be take out of the \$800,000 General Advertising/Marketing Funds for a pilot program in North Carolina. The pilot program is an information center located in Western North Carolina and administered by the Western North Carolina Partnership. Rep. Owens questioned if it could be gotten from another source in the budget. Rep. Carpenter felt it belonged with Travel and Tourism. Rep. Fox made a motion to move the \$35,000 out. Motion carried.

Rep. Baker asked for a change of language in Item 23 - Amend Requirements For Abandoned Wells (attachment #5). Motion carried.

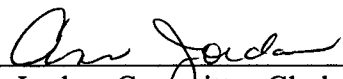
Chairman Mitchell recognized Mark Trogden, Staff, to explain Item 69 - State Boxing Commission from Secretary of State to Department of Commerce.

Chairman Mitchell recognized Representative Danny McComas to special an additional special provision - Study Feasibility of Relocating Channel of Mason's Inlet (attachment 6) . This involves no cost to the state. The study involves ways to protect the north end of Wrightsville Beach without creating a threat to the houses at the south end of Figure Eight Island. Rep. Fox moved for a motion to accept. Motion carried.

Rep. Allen moved that the special provision be approved as presented. Motion carried.

Chairman Mitchell thanked the members of the committee and the co-chairs for their hard work. Meeting adjourned at 9:20 a.m.


Rep. Frank Mitchell, Chairman


Ann Jordan, Committee Clerk

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 16, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
John Gannon	TAA
Joe M. Glas	TAA
Mike Callum	Self-Help
Ruth Anne Camp	World Trade Center NC
Jane Smith	DENR
Link Swall	DEH
D. L. Gannon	DOL
Betsy Brown	DOL
Phil Wilson	Commerce
John Ayers	Commerce
Tim McNelly	DENR/DPR
Shannon Szymczak	The Nature Conservancy - NC Chapter
Johnny Gray	OSBM
J.W. Reel	OSBM
Lisa Tolley	DENR Env. Sci
Garry Taylor	" "
James G. Gannon	NCMSC
Bob Spelman	NC Forestry Association
Robert Bennett	NCUC Staff
Robert Fink	Public Staff
Janne Sanford	NC Utilities Comm
Joe Gant	PPAB
Cam Gant	BPMHL
Margaret Malone	NC Housing Finance Agency
Sandra Ray	HTF
Luann Cole	FTF

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

July 16, 1998

Name of Committee

Date

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

<u>NAME</u>	<u>FIRM OR AGENCY AND ADDRESS</u>
John Bowditch	Zeb Alley P. A.
✓ Andy Romanet	N.C. A.M.
R. S. Schofield	NCJ CDC
Phonza Ramsey	NCAEDC
Buck LATTIMORE	NC INDUSTRIAL Commission
PG	NCFB
SW	"
Jusan Penny Cole	Commerce
Bob McKel	Commerce
Dennis Perry	Commerce
Denny McGuire	Commerce/ITS
Mark Blesson	Capital Group
André Hunter	Gov. Office
Dianne Bready	Forestry
Bill Flournoy	DENR
Maurice Williams	NCDACS
Calder B. Drummy	NCDACS
Kim Smith	NCLM
David Knight	NC Soccer Club
Leisa Martin	Upper Neuse River Basin Assn.

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Housing Finance Agency									
1	Housing Trust Fund	-	2,000,000			2,000,000			2,000,000	
	Sub-Total HFA	-	2,000,000		-	2,000,000		-	2,000,000	0.0
	Department of Agriculture and Consumer Services									
2	Automated Information and Technical Support	306,628		3.0	151,522	155,106	3.0	151,522	155,106	3.0
3	Animal Waste, Soil and Plant Testing				271,668	144,600	4.0	271,668	144,600	4.0
4	Farmland Preservation Trust Fund					500,000			0	
5	Department Wide - Receipts Adjustments	(210,600)			(210,600)			(210,600)		
6	Albemarle Farmers' Market					50,000			0	
7	Jacksonville-Onslow Farmers' Market					50,000			0	
8	Seafood and Aquaculture Marketing	300,000				300,000			0	
9	Goodness Grows in NC					200,000			200,000	
10	Structural Pest Control Program Improvements				262,650	80,350	7.0	262,650	80,350	7.0
11	Small, Family Farms (Marketing/Promotion)								50,000	
12	Small, Family-Owned Farms Loan Program								1,500,000	
13	Small, Family Dairy Farm Grants								1,500,000	
14	Pseudorabies Eradication								150,000	
15	Pesticide/Food Lab Funds							442,095	290,000	10.0
16	Local Agricultural Fairs Grant Funds								150,000	
17	Local Farmers' Markets Grant Funds								200,000	
	Sub-Total Ag	396,028	-	3.0	475,240	1,480,056	14.0	917,335	4,420,056	24.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
	Department of Labor									
18	Office Equipment for Move to Old Revenue Building	-	-		-	190,000			190,000	
19	Information Highway site								30,000	
	Sub-Total Labor	-	-		-	190,000		-	220,000	0.0
	Department of Environment and Natural Resources									
20	Controller's Office - Reduce Salary Reserve	(5,053)			(5,053)			(5,053)		
21	Executive Offices - Eliminate Vacant Position	(82,134)		(1.0)	(82,134)		(1.0)	(82,134)		(1.0)
22	Conservation Tax Credit Program and Grant Funds	194,677	113,500	2.0	149,990	206,500	1.0	0	0	
23	General Services - Reduce Salary Reserve	(10,000)			(10,000)			(10,000)		
24	Regional Offices - Reduce Operating Funds	(31,416)			(31,416)			(31,416)		
25	Forestry - Improve Efficiency and Computer Technology	(311,034)			(311,034)			(311,034)		
26	Forestry - Insurance for CL-215		160,000			160,000			116,000	
27	Forestry - District 12 Helicopter Funds				167,860		2.0	167,860		2.0
28	DMF - Reduce Operating Support	(130,000)			(130,000)			(130,000)		
29	DMF - License Administration Funds	246,088		6.0	246,088		6.0	246,088		6.0
30	DMF - Staff Support for Appeals Review	29,738	3,800	1.0	29,738	3,800	1.0	0	0	
31	DMF - Fisheries Management Plans	1,604,496		26.0	540,158	142,500	10.0	540,158	142,500	10.0
32	DMF - Coastal Habitat Protection Plans	263,304		5.0	160,170	15,300	3.0	160,170	15,300	3.0
33	DMF - Information Technology Funds	1,142,278	452,453	2.0	72,223	1,492,508	2.0		1,000,000	
34	Museum - Reduce Supplies	(39,513)			(39,513)			(39,513)		
35	Museum - Additional Funds for Grassroots Science					3,250,000		35,000		
36	Zoo - Adjust Equipment/Vehicle Replacement Schedule	(133,079)			(133,079)			(133,079)		
37	Environmental Education - Grant Funds		350,000			200,000			200,000	
38	Parks - Increase Receipts	(100,000)			(100,000)			(100,000)		
39	Parks - Expand Natural Heritage Program	216,737	26,300	4.5	216,737	26,300	4.5		250,000	
40	Parks - Adopt-a-Trail Program					100,000			0	

BUDGET COMPARISONS										
NATURAL AND ECONOMIC RESOURCES										
		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
41	DSWC -Technical Assistance for Animal Waste	(185,445)		(5.5)	(185,445)		(5.5)	(185,445)		(5.5)
42	DSWC - Ag Cost Share Program		3,500,000			1,000,000			500,000	
43	DSWC - Soil and Water District Travel Funds	150,000				50,000			50,000	
44	Air Quality - Reduce Operating Support	(14,892)			(14,892)			(14,892)		
45	Coastal - Reduce Operating Support	(30,004)			(30,004)			(30,004)		
46	Coastal - Chevron/OCS Response	137,559	260,000	2.0		367,023	1.0	0	0	
47	DEH - Reduce Staff and Operating Support	(72,210)		(0.5)	(72,210)		(0.5)	(72,210)		(0.5)
48	DEH - Food Sanitation Training Funds		100,000			100,000			100,000	
49	DEH - Federal Water Supply Assistance Match		2,571,880			2,571,880			special provision	
50	Land Resources - Reduce Operating Support	(42,861)			(42,861)			(42,861)		
51	Land Resources - Sedimentation/Erosion Control	1,789,448	360,282	30.0	338,570	24,000	6.0	282,140	20,000	5.0
52	PPEA - Reduce Pollution Prevention Grants	(24,362)			(24,362)			(24,362)		
53	Waste Management - Eliminate Position	(45,095)		(1.0)	(45,095)		(1.0)	(45,095)		(1.0)
54	DWQ - Operating Support	250,533	749,467		250,533			0	0	
55	DWQ - Basinwide Data Management Initiative	201,000	1,561,830	1.0		500,000		0	0	
56	DWQ - Increase Compliance/Reduce Spills	780,531	60,000	15.0	332,280	28,000	7.0	0	0	
57	DWQ - Groundwater Pollution Prevention & Control	721,479	256,587	12.0	721,479	256,587	12.0	0	0	
58	DWQ - Neuse/Tar-Pam Rapid Response Teams	544,634	226,774	8.0	544,634	226,774	8.0	0	0	
59	DWQ - Water Quality Monitoring	2,068,670	1,827,296	10.0	164,080	2,872,980	4.0		special provision	
60	DWQ - Federal Wastewater Assistance Match		4,860,532			4,860,532			special provision	
61	DWR - Real Time Stream Gauge Data	10,000	170,000		10,000	170,000		10,000	170,000	
62	DWR - Groundwater Resource Management	850,000	15,000	5.0	414,724	386,598	4.0	0	0	
63	Partnership for the Sounds	150,000	150,000		150,000	250,000		0	0	
64	Alternative Animal Waste Technology-NCSU		750,000			750,000			375,000	
65	Neuse Modeling and Monitoring Program		880,000			720,000			0	
66	Upper Neuse River Basin Association					300,000			special provision	
67	New River Monitoring Funds					50,000			0	
68	Museum of Life & Science (BioQuest)		2,500,000			500,000			0	

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

	Departments/Agencies	Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
		Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
69	LLRW - Facility Siting Assistance Funds					100,000			100,000	
70	County Recreational Building					50,000			0	
71	Reduce Contracts and Operating Support - LLRW				(500,000)			(1,123,219)		(10.0)
72	WRC - Beaver Control Program					500,000			500,000	
73	Environmental Education - River Basin Education	85,429	32,500	1.0				0	0	
74	DSWC - Water Basin Positions	107,148	86,500	2.0					150,000	
75	DWQ - Basinwide Enhancement & Implementation	534,957	23,669	10.0				0	0	
76	DEH - Recreational Water Quality Monitoring	622,262	27,000	7.0				0	0	
77	DWR - Stream Watch/Project Wet	45,000		1.0				0		
78	Pfisteria Research		120,000						0	
79	Forestry - Water Quality Foresters	344,286	71,200	7.0				344,286	71,200	7.0
80	DSWC - Ag Cost Share Technical Assistance	1,000,000							200,000	
81	DSWC - Computer Funding	36,000	25,000					36,000	25,000	
82	DEH - Safe Wells	1,514,751	42,000	8.0				0	0	
83	DEH - On-site Wastewater Expansion	549,954	7,240	8.0				0	0	
84	DMF - Enhance Maintenance Section	195,058	17,250	3.0				0	0	
85	DMF - Administrative Support	110,380		4.0				0		
86	Parks - Parks Biologists	208,100	37,000	4.0				208,100	37,000	4.0
87	Parks - Staff and Lifeguards - Falls and Jordan Lakes	224,296	16,365	2.0				0	0	
88	Natural Resources Marketing		750,000						0	
89	Parks - Jocassee Gorges Operations	183,935	162,000	5.0				0	0	
90	Improve Customer Service		50,000						0	
91	DEH - Improve Child Care Sanitation Services	570,434	19,500	3.0				0	0	
92	Oregon Inlet - Sand Study								100,000	
93	Oregon Inlet Stabilization Study Commission								0	
94	DSWC - Junaluska Creek Damage Funds								7,500	
95	Isotope Study - Transfer to NCSU								321,000	
96	Executive Offices - Eliminate Assistant Secretary and Staff							(204,726)		(3.0)
	Sub-Total DENR	16,426,064	23,392,925	186.5	2,752,166	22,231,282	63.5	(555,241)	4,450,500	16.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

Governor's				Senate			House			
Recommendations				Final Budget			Recommendations			
Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	
Department of Commerce										
97 Industrial Recruitment Competitive Fund		5,000,000			3,000,000			1,000,000		
98 Bus/Industry Marketing and Advertising Combined					500,000			500,000		
99 DCA - Upper Coastal Plain COG					150,000			0		
100 DCA - Land Use Planning					250,000			0		
101 Industrial Commission - Reduce Operating Support	(93,322)		(1.0)	(93,322)		(1.0)	(93,322)		(1.0)	
102 Industrial Commission - Temporary Positions		100,000			100,000			100,000		
103 Industrial Development - Utility Account		14,000,000			3,000,000			1,000,000		
104 NC ACTS - Reduce Director's Salary	(24,356)			(24,356)			(24,356)			
105 Year of the Mountain Planning Initiative					300,000			0		
106 Special Olympics 1999 World Summer Games		3,400,000			3,000,000			3,000,000		
107 Regional Economic Development Commissions	350,000			350,000			0			
108 North Carolina Progress Board		400,000			400,000			0		
109 Institute for Aeronautical Technology		5,000,000			4,000,000			0		
110 Transfer Boxing Commission				202,770		3.0	202,770		3.0	
111 Travel - Reduce Printing	(100,000)			(100,000)			(100,000)			
112 Travel - Advertising & Marketing Funds Combined					2,200,000			0		
113 Travel - International Marketing Efforts		1,000,000						800,000		
114 Travel - General Advertising/Marketing		1,000,000						800,000		
115 Travel - Rural Tourism Grant Funds					300,000			100,000		
116 Wanchese - Oregon Inlet Project				339,000	11,000	2.0	0	0		
117 NC Business Court	138,188	135,000		Funded in Senate JPS			To be handled in JPS			
118 Film Office Advertising and Promotion	77,000	400,000	1.0				64,803	200,000	1.0	
119 Travel - US Open		1,000,000						800,000		
120 Bus/Industry-Marketing Missions/Trade Shows		250,000						0		
121 Bus/Industry-General Advertising/Marketing		500,000						0		
122 Certified Economic Development Training		25,000						special provision		

BUDGET COMPARISONS										
NATURAL AND ECONOMIC RESOURCES										
		Governor's			Senate			House		
		Recommendations			Final Budget			Recommendations		
	Departments/Agencies	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
123	Industrial Dev.-Building Renovation/Utility Infrastructure		18,000,000						0	
124	State Development Zones		2,000,000						1,000,000	
125	Global Transpark Marketing		150,000						0	
126	NC Government Competition Commission							218,000	14,700	3.0
127	DCA - Historic Waterfront Revitalization Grant Funds								400,000	
	Sub-Total Commerce	347,510	52,360,000	0.0	674,092	17,211,000	4.0	267,895	9,714,700	6.0
	State Aid to Non-State Entities									
128	NC Coalition of Farm and Rural Families	250,000				250,000			0	
129	NC Global Center		250,000			500,000			0	
130	Charlotte/Mecklenburg Development Corporation					1,000,000			0	
131	Stanly/Montgomery County Airport Authorities					250,000			0	
132	NC Community Development Initiative					325,000			0	
133	Southern Piedmont Transit Authority					500,000			0	
134	Land Loss Prevention Project	350,000				350,000			350,000	
135	Town of Chadbourn - Emergency Repairs					500,000			0	
136	Yadkin/Pee Dee Lakes Project					150,000			150,000	
137	Minority Support Center	375,000				375,000			375,000	
138	Center for Community Self-Help					1,000,000			0	
139	Technological Development Authority					3,500,000			3,500,000	
140	Care Trak System Pilot Program Funds								141,400	
141	4-H/Eastern Ag Livestock Arena		600,000			600,000			600,000	
142	NC Institute of Minority Economic Development	1,000,000				1,000,000			1,000,000	
143	William States Lee Leadership Institute		3,000,000			2,000,000			0	
144	Duplin Multi-Purpose Center Funds					250,000			0	
145	Jones Economic Development Funds					200,000			0	
146	World Trade Center		300,000						200,000	
147	Textile Museum								100,000	
	Sub-Total State Aid	1,975,000	4,150,000		-	12,750,000		-	6,416,400	0.0

BUDGET COMPARISONS
NATURAL AND ECONOMIC RESOURCES

			Governor's			Senate			House		
			Recommendations			Final Budget			Recommendations		
Departments/Agencies			Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE	Recurring	Non-Recurring	FTE
MCNC											
148	Administrative Reduction		(30,750)						0		
149	Temporary Operating Support			2,030,750						0	
150	Increase and Adjust Final Year of State Funding					(2,500,000)	4,500,000		0	0	
151	Reallocate Final Year Funding								(2,500,000)	2,300,000	
	Sub-Total MCNC		(30,750)	2,030,750		(2,500,000)	4,500,000		(2,500,000)	2,300,000	0.0
NC Biotechnology Center											
152	Administrative Reduction		(25,483)			(25,483)			(25,483)		
153	NC Bioscience Investment Fund, L.L.C						2,500,000			0	
	Sub-Total Biotech		(25,483)	-		(25,483)	2,500,000		(25,483)	-	0.0
REDC											
154	Administrative Reduction		(12,662)			(12,662)			(12,662)		
155	Supplemental Funding Program		2,825,000	1,000,000			3,565,000			8,000,000	
156	Capacity Grants Program		200,000				200,000			200,000	
157	Research and Demonstration Grants Program									50,000	
158	Administration -- Supplemental & Capacity		125,000				60,000			0	
159	NC Association of CDC's		200,000				200,000			275,000	
160	Administration -- General								150,000		
	Sub-Total REDC		3,337,338	1,000,000		(12,662)	4,025,000		137,338	8,525,000	0.0
SIPS											
161	IRM Positions Shift to Receipts		(263,791)		(4.0)	(271,530)		(4.0)	(271,530)		(4.0)
162	Continue and Expand NC Information Highway			6,143,160			6,143,160			6,143,160	
	Sub-Total SIPS		(263,791)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)	(271,530)	6,143,160	(4.0)
	GRAND TOTAL - NER		22,161,916	91,076,835	185.5	1,091,823	73,030,498	77.5	(2,029,686)	44,189,816	42.0

CODE NO. 98COMM-H019B

Requested by: Representatives Mitchell, Baker, Carpenter

NER BLOCK GRANT FUNDS

1 Section 5.1. (a) Appropriations from federal block
2 grant funds are made for the fiscal year ending June 30, 1999,
3 according to the following schedule:

4
5 COMMUNITY DEVELOPMENT BLOCK GRANT

6		
7	01. State Administration	\$ 980,000
8		
9	02. Urgent Needs and Contingency	1,277,400
10		
11	03. Community Empowerment	2,767,700
12		
13	04. Economic Development	8,516,000
14		
15	05. Community Revitalization	28,528,600
16		
17	06. State Technical Assistance	440,000
18		
19	07. Housing Development	1,490,300
20		
21	TOTAL COMMUNITY DEVELOPMENT	
22	BLOCK GRANT - 1999 Program Year	\$ 44,000,000
23		

24 (b) Decreases in Federal Fund Availability
25 Decreases in federal fund availability for the Community
26 Development Block Grants -- If federal funds are reduced below
27 the amounts specified above after the effective date of this act,
28 then every program in each of these federal block grants shall be
29 reduced by the same percentage as the reduction in federal funds.

30 (c) Increases in Federal Fund Availability for
31 Community Development Block Grant

32 Any block grant funds appropriated by the Congress of
33 the United States in addition to the funds specified in this
34 section shall be expended as follows: -- Each program category
35 under the Community Development Block Grant shall be increased by
36 the same percentage as the increase in federal funds.

37 (d) Limitations on Community Development Block Grant
38 Funds -- Of the funds appropriated in this section for the
39 Community Development Block Grant, the following shall be
40 allocated in each category for each program year: up to nine
41 hundred thousand dollars (\$900,000) may be used for State
42 administration; up to one million two hundred seventy-seven
43 thousand four hundred dollars (\$1,277,400) may be used for Urgent
44 Needs and Contingency; up to two million seven hundred sixty-
45 seven thousand seven hundred dollars (\$2,767,700) may be used for
46 Community Empowerment; up to eight million five hundred sixteen

1 thousand dollars (\$8,516,000) may be used for Economic
2 Development; not less than twenty-eight million five hundred
3 twenty-eight thousand six hundred dollars (\$28,528,600) shall be
4 used for Community Revitalization; up to four hundred forty
5 thousand dollars (\$440,000) may be used for State Technical
6 Assistance; up to one million four hundred ninety thousand three
7 hundred dollars (\$1,490,300) may be used for Housing Development.
8 If federal block grant funds are reduced or increased by the
9 Congress of the United States after the effective date of this
10 act, then these reductions or increases shall be allocated in
11 accordance with subsection (b) or (c) of this section, as
12 applicable.

13 (e) Scattered Sites Program Improvements -- The
14 Department shall implement improvements to the system for
15 distributing Scattered Sites awards in the Community
16 Revitalization category to maximize funding opportunities. The
17 Department shall make changes in the funding cycle for Scattered
18 Sites projects, shall reduce the cap on grants for these projects
19 to three hundred fifty thousand dollars (\$350,000), and shall
20 increase funding allocations by up to fifteen percent (15%) to
21 address outhouses and other critical on-site water/wastewater
22 needs. The Department may adopt temporary rules to implement
23 these changes.

24

25

26

27

CODE NO. 98COMM-H007A

Requested by: Representatives Mitchell, Baker, Carpenter, Hall,
H. Hunter

HOUSING TRUST FUND/FUNDS FOR AFFORDABLE HOUSING FOR ELDERLY

1 Sec. @. Funds appropriated in this act to the Housing
2 Finance Agency for the Housing Trust Fund for the 1998-99 fiscal
3 year shall be used exclusively for affordable housing for elderly
4 persons.

5

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CODE NO. 98AGRIC-H007.02

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

GUIDELINES FOR GRANTS FOR LOCAL AGRICULTURAL FAIRS

1 Section @. The Department of Agriculture and Consumer
2 Services shall adopt guidelines for the disbursement of funds
3 appropriated to the Department for the 1998-99 fiscal year for
4 grants for local agricultural fairs.

Requested by: Representatives Mitchell, Baker, Carpenter

ANIMAL WASTE MANAGEMENT EQUIPMENT GRANTS FOR FAMILY-OWNED DAIRIES

1 Section @. (a) The funds appropriated in this act to
2 the Department of Agriculture and Consumer Services for the 1998-
3 99 fiscal year for animal waste management equipment grants to
4 farmers of family-owned dairies shall be used for the purchase of
5 equipment that is a component of an animal waste management
6 system and that is used solely for the purpose of transporting,
7 storing, or distributing animal waste. This equipment shall be
8 limited to: pumps, spraying equipment, scrape blades, box blades,
9 storage equipment, and any transport equipment, including tanks,
10 spreaders, and applicators.

11 (b) No funds allocated under this section shall be used
12 to enlarge anaerobic lagoons or for the maintenance of anaerobic
13 lagoons.

14 (c) The Department of Agriculture and Consumer Services
15 shall adopt rules that establish guidelines for disbursing the
16 funds in a fair and equitable manner and any other rules needed
17 to implement this section. Each recipient of grant funds under
18 this section shall enter into a contract with the Department that
19 contains provisions of the loan that are consistent with these
20 guidelines. This contract shall provide for the enforcement of
21 the terms of the contract. This contract shall provide that the
22 recipient continue to operate at the current level of dairy
23 production for a period of at least five years. This contract
24 shall provide that if the recipient reduces the number of dairy
25 cows or ceases operation in fewer than five years, the recipient
26 shall repay the Department of Agriculture and Consumer Services a
27 prorated share of the grant funds received by that recipient.

28 (d) Only dairies with fewer than 300 dairy cows that
29 were in operation prior to January 1, 1998, are eligible for
30 grants under this section.

CODE NO. 98AGRIC-H001

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

ASSISTANCE FOR SMALL, FAMILY FARMS

1 Section @. Of the funds appropriated in this act to the
2 Department of Agriculture and Consumer Services for the 1998-99
3 fiscal year, the sum of fifty thousand dollars (\$50,000) shall be
4 used to provide assistance to farmers who operate small, family
5 farms. By March 1, 1999, the Department shall report to the
6 Joint Legislative Commission on Governmental Operations, the
7 Appropriations Subcommittees on Natural and Economic Resources in
8 both the House of Representatives and the Senate, and the Fiscal
9 Research Division on the use of these funds, including the number
10 and geographic location of the small, family farms assisted
11 through this allocation of funds, the type of assistance
12 provided, and any other information or indicators that
13 demonstrate the overall impact of this allocation of funds.

CODE NO. 98AGRIC-H006

Requested by: Representatives Mitchell, Baker, Carpenter, H.
Hunter

GRANTS FOR LOCAL FARMERS MARKETS

1 Section @. For the funds appropriated in this act to
2 the Department of Agriculture and Consumer Services for the 1998-
3 99 fiscal year for grants to local farmers markets for the
4 purpose of promoting or selling farm products produced by local
5 small, family-owned farms, the Department shall establish
6 guidelines and procedures for disbursing the grants in a fair and
7 equitable manner. A grant to a local farmers market under this
8 section shall not exceed the sum of ten thousand dollars
9 (\$10,000). The Department shall adopt any rules needed to
10 implement this section.

CODE NO. 98AGRIC-H004

Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

LOAN PROGRAM FOR SMALL, FAMILY-OWNED FARMS

- 1 Section ①. (a) The funds appropriated in this act to
2 the North Carolina Rural Rehabilitation Corporation within the
3 Department of Agriculture and Consumer Services for the 1998-99
4 fiscal year shall be used to make loans to those farmers of
5 small, family-owned farms having financial difficulty as shown by
6 their inability to obtain affordable conventional loans from
7 other sources.
- 8 (b) Priority for loans from the funds allocated under
9 this section shall be extended for the following small, family-
10 owned farms:
- 11 (1) Dairy farms with fewer than 300 dairy cows.
12 (2) Turkey farms that have lost contracts with
13 integrators for reasons not related to having
14 violated environmental laws or rules.
15 (3) Swine farms of fewer than 500 swine at any time.
16 (4) Peach or apple farms that have lost fifty percent
17 (50%) or more of their fruit crop due to frost or
18 freeze damage.
- 19 (c) The term of the loans under this section shall not
20 exceed 20 years. These loans shall be provided in accordance
21 with the lending requirements of the North Carolina Rural
22 Rehabilitation Corporation pursuant to Article 2 of Chapter 137
23 of the General Statutes.
- 24 (d) The Department of Agriculture and Consumer Services
25 shall adopt rules to implement this section.

Requested by: Representatives Mitchell, Baker, Carpenter

SPECIAL RESERVE FUNDS FOR CERTAIN AGRICULTURAL CENTERS

1 Section 13.2. Article 1 of Chapter 106 of the General
2 Statutes is amended by adding a new section to read:

3 "§ 106-6.2. Create special revenue funds for certain
4 agricultural centers.

5 (a) The Eastern North Carolina Agricultural Center Fund is
6 created within the Department of Agriculture and Consumer
7 Services as a special revenue fund. This Fund shall consist of
8 receipts from the sale of naming rights to any facility located
9 at the Eastern North Carolina Agricultural Center at Williamston,
10 investments earnings on these moneys, and any gifts, bequests, or
11 grants from any source for the benefit of the Eastern North
12 Carolina Agricultural Center. All interest that accrues to this
13 Fund shall be credited to this Fund. Any balance remaining in
14 this Fund at the end of any fiscal year shall not revert. The
15 Department may use this Fund only to promote, improve, repair,
16 maintain, or operate the Eastern North Carolina Agricultural
17 Center.

18 (b) The Southeastern North Carolina Agricultural Center Fund
19 is created within the Department of Agriculture and Consumer
20 Services as a special revenue fund. This Fund shall consist of
21 receipts from the sale of naming rights to any facility located
22 at the Southeastern North Carolina Agricultural Center at
23 Lumberton, investments earnings on these moneys, and any gifts,
24 bequests, or grants from any source for the benefit of the
25 Southeastern North Carolina Agricultural Center. All interest
26 that accrues to this Fund shall be credited to this Fund. Any
27 balance remaining in this Fund at the end of any fiscal year
28 shall not revert. The Department may use this Fund only to
29 promote, improve, repair, maintain, or operate the Southeastern
30 North Carolina Agricultural Center."

CODE NO. 98AGRIC-H002-S

Requested by: Representatives Mitchell, Baker, Carpenter

UMSTEAD ACT EXEMPTION FOR DEPARTMENT AGRICULTURAL CENTERS AND
LIVESTOCK FACILITIES

1 Section 13.3. G.S. 66-58(b) is amended by inserting the
2 following subdivision:

3 "(13d) Agricultural centers or livestock facilities
4 operated by the Department of Agriculture and
5 Consumer Services."

CODE NO. 98AGRIC-H009.04

Requested by: Representative Tolson

LEWIS STEAM POWERED SAWMILL RELOCATION

1 Section @. The Department of Agriculture and Consumer
2 Services may use up to two hundred twenty-five thousand dollars
3 (\$225,000) in available funds for the State fair for the 1998-99
4 fiscal year for the expenses of relocating the Lewis Steam
5 Powered Sawmill from Pitt County to the State Fairgrounds in
6 Raleigh, restoring and rendering the sawmill operational at its
7 new site, and operating the sawmill.

Requested by: Representative Mitchell

POULTRY/RATITE DEALERS REGISTRATION

1 Section @. (a) G.S. 106-540(3) reads as rewritten:

2 "(3) Regulate hatching egg dealers, chick dealers, poult
3 dealers, poultry dealers, ratite dealers, and
4 jobbers."

5 (b) G.S. 106-541 reads as rewritten:

6 "§ 106-541. Definitions.

7 For the purpose of this ~~Article, a hatchery shall be defined as~~
8 Article, the following definitions apply:

9 (1) 'Hatchery' means any establishment that operates
10 hatchery equipment for the production of baby
11 chicks or poults.

12 (2) ~~A hatching~~ 'Hatching egg dealer, chick dealer or
13 jobber shall mean dealer, or jobber' means any
14 person, firm, or corporation that buys
15 hatching eggs, baby chicks, chicks, or turkey poults
16 and sells or offers them for sale.

17 (3) 'Live poultry or ratite dealer' means a person who
18 sells or offers for sale to the general public live
19 poultry or ratites. Live poultry or ratite dealer
20 does not include persons who sell on their own
21 premises live poultry or ratites that were raised
22 on the same premises.

23 (4) ~~The term "mixed~~ 'Mixed chicks' or 'assorted chicks'
24 shall mean means chicks produced from eggs from
25 purebred females of a distinct breed mated to a
26 purebred male of a distinct breed.

27 (5) 'Poultry' means live chickens, doves, ducks, geese,
28 grouse, guinea fowl, partridges, pea fowl,
29 pheasants, pigeons, quail, swans, or turkeys other
30 than chicks or poults.

31 (6) 'Ratite' has the same meaning as in G.S. 106-
32 549.15."

33 (c) G.S. 106-542 is amended by adding the following new
34 subsections:

35 "(b1) It shall be unlawful for any person, firm, or
36 corporation to operate as a live poultry or ratite dealer without
37 first registering with the Department of Agriculture and Consumer
38 Services.

1 (b2) It shall be unlawful for a specialty market operator, as
2 defined in G.S. 66-250, to knowingly and willfully permit an
3 unregistered poultry or ratite dealer to operate on the premises
4 of the specialty market, as defined in G.S. 66-250, more than 10
5 days after being notified in writing by the Department of
6 Agriculture and Consumer Services that the dealer is not
7 registered."

8 (d) G.S. 106-547 reads as rewritten:

9 "§ 106-547. Records to be kept.

10 Every hatchery, hatching egg dealer, chick ~~dealer~~ dealer,
11 poultry dealer, ratite dealer, or jobber shall keep such records
12 of operation as the regulations of the Department of Agriculture
13 and Consumer Services may require for the proper inspection of
14 said hatchery, ~~dealer~~ dealer, or jobber."

15 (e) The Department of Agriculture and Consumer Services
16 shall use available funds for the 1998-99 fiscal year for the
17 enforcement of registration requirements for poultry and ratite
18 dealers as provided for in this section.

10C

CODE NO. 98LAB-HQ02

Requested by: Representatives Mitchell, Baker, Carpenter

DEPARTMENT OF LABOR/BUDGET OVER-REALIZED INDIRECT COST RECEIPTS

1 Sec. @. The Department of Labor may budget over-
2 realized indirect cost receipts in the 1998-99 fiscal year to
3 fund the following:
4 (1) Departmental technology needs, and
5 (2) Costs to relocate selected Divisions of the
6 Department of Labor to the Old Revenue Building.
7
8
9
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Requested by: Representatives Mitchell, Baker, Carpenter

MARINE FISHERIES APPEALS PANEL/ROTATE MEETING LOCATIONS

- 1 Section 14.2. Section 3(a) of Chapter 576 of the 1993
2 Session Laws, Regular Session 1994, as amended by Section 3 of
3 Chapter 675 of the 1993 Session Laws, Regular Session 1994;
4 subsection (a) of Section 26.5 of Chapter 507 of the 1995
5 Session Laws; Section 7 of S.L. 1997-256; Section 3 of S.L. 1997-
6 347; and Section 6.1 of S.L. 1997-400, reads as rewritten:
7 "(d) During the moratorium, there shall be an Appeals Panel to
8 consider license applications for new licenses.
- 9 (1) The Appeals Panel shall consist of the Fisheries
10 Director, the Chairman of the Marine Fisheries
11 Commission, and one other person selected by the
12 Cochairs of the Joint Legislative Commission on
13 Seafood and Aquaculture to review hardship or
14 emergency license cases.
- 15 (2) The Marine Fisheries Commission shall adopt
16 temporary rules to govern the operation of the
17 Appeals Panel. The Appeals Panel is exempt from
18 the provisions of Article 3 of Chapter 150B of the
19 General Statutes. Decisions of the Appeals Panel
20 shall be subject to judicial review under the
21 provisions of Article 4 of Chapter 150B of the
22 General Statutes.
- 23 (3) The Appeals Panel may grant a license if it finds
24 that the denial of the license application would
25 create an emergency or hardship on the individual
26 or the State. In no event shall the Appeals Panel
27 grant a license when the total number of licenses
28 in the specific category would exceed the number of
29 licenses in effect on June 30, 1994.
- 30 (4) The Appeals Panel may grant an emergency temporary
31 license due to death, illness, or incapacity, for a
32 period not to exceed 30 days. Emergency temporary
33 licenses shall be limited to vessel crab licenses
34 authorized under G.S. 113-153.1(d).
- 35 (5) Beginning in July 1998, the Appeals Panel shall
36 rotate the location of its meetings among the three
37 districts of the State in the following order:
38 Northeastern district, Central district, Southern
39 district, Central district, Northeastern district,

1 Central district, Southern district. The order of
2 rotation is arranged so that the meeting location
3 for every other meeting is in the Central district
4 of the State. The meeting location for July 1998
5 shall be in the Northeastern district of the State
6 and the rotation of the meeting locations shall
7 continue as provided by this subdivision.

8 If an applicant who is appealing a licensing
9 decision in accordance with this section requests
10 in writing that the Appeals Panel schedule the
11 person's hearing when it meets in that person's
12 home district, the Appeals Panel shall calendar
13 that person's hearing for his or her home district
14 as requested."

CODE NO. 98ENV-H007-S

Requested by: Representatives Mitchell, Baker, Carpenter

FISHERY MANAGEMENT PLANS/REGIONAL ADVISORY COMMITTEE

1 Section 14.3. G.S. 113-182.1(c) reads as rewritten:
2 "(c) ~~To assist in the development of each Fishery Management~~
3 ~~Plan, the~~ The Chair of the Marine Fisheries Commission shall
4 ~~appoint an Advisory Council.~~ a fishery management plan advisory
5 committee for each Fishery Management Plan that is being
6 developed. Each ~~Advisory Council~~ fishery management plan
7 advisory committee shall be composed of commercial fishermen,
8 recreational fishermen, and scientists, all with expertise in the
9 fishery for which the Fishery Management Plan is being developed.
10 The fishery management plan advisory committees, along with the
11 regional advisory committees established under G.S. 143B-289.57,
12 shall assist the Department and the Marine Fisheries Commission
13 in the development of all aspects of the Fishery Management
14 Plans, including the development of preservation management
15 measures."

CODE NO. 98ENV-H004A

Requested by: Representatives Preston, Mitchell, Baker,
Carpenter, Redwine

UP ADMINISTRATIVE CAP FOR FISHERY RESOURCE GRANT PROGRAM

1 Section @. Section 5 of Chapter 633 of the 1995 Session
2 Laws, Regular Session 1996, reads as rewritten:
3 "Sec. 5. Funds appropriated to the Department of ~~Environment,~~
4 ~~Health,~~ Environment and Natural Resources for the Fishery
5 Resource Grant Program under Section 2 of Chapter 324 of the 1994
6 Session Laws shall be transferred to the Board of Governors of
7 The University of North Carolina for the Sea Grant College
8 Program to administer the Fishery Resource Grant Program. The
9 Sea Grant College Program may use up to ~~twenty-five thousand~~
10 ~~dollars (\$25,000)~~ seventy-five thousand dollars (\$75,000) for
11 administrative expenses relating to the Fishery Resource Grant
12 Program."

CODE NO. 98NATRES-H003-S

Requested by: Representatives Mitchell, Baker, Carpenter

GRASSROOTS SCIENCE PROGRAM

Section @. Section 15.1 of S.L. 1997-443 reads as rewritten:
"Section 15.1. Funds appropriated in this act for the Grassroots Science Program shall be allocated as grants-in-aid as follows:

	1997-98	1998-99
Iredell County Children's Museum	\$56,500	\$50,000
Museum of Coastal Carolina	\$66,750	\$50,000
Rocky Mount Children's Museum	\$109,750	\$50,000
Imagination Station	\$111,000	\$50,000
Western North Carolina Nature Center	\$130,750	~~\$15,000~~ <u>\$50,000</u>
The Health Adventure Museum of Pack Place Education, Arts and Science Center, Inc.	\$162,500	\$35,000
Cape Fear Museum	\$188,500	\$50,000
Catawba Science Center	\$190,500	\$50,000
Sci Works Science Center and Environmental Park of Forsyth County	\$231,000	\$50,000
Natural Science Center of Greensboro	\$333,000	\$50,000
Schiele Museum of Natural History	\$383,750	\$50,000
North Carolina Museum of Life and Science	\$398,750	\$50,000
Discovery Place	\$887,250	\$50,000
TOTAL	\$3,250,000	~~\$600,000~~ <u>\$635,000</u>

Discovery Place may use up to one hundred thousand dollars (\$100,000) of the funds allocated to it in the 1997-98 fiscal year to study the feasibility of an expansion of Discovery Place."

CODE NO. 98ENV-H010-S

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

ENVIRONMENTAL EDUCATION GRANTS

1 Section 14.5. (a) Of the two hundred thousand dollars
2 (\$200,000) appropriated in this act to the Department of
3 Environment and Natural Resources for the 1998-99 fiscal year for
4 environmental education grants, up to fifty thousand dollars
5 (\$50,000) may be used by the Department for the 1998-99 fiscal
6 year for the costs of administering the environmental education
7 grants. The remainder of these funds shall be used to provide
8 grants to promote environmental education throughout the State.
9 Grants under this section may be awarded to:

- 10 (1) Schools, community organizations, and environmental
11 education centers for the development of
12 environmental education library collections; or
13 (2) School groups for field trips to environmental
14 education centers across the State, provided the
15 activities of the field trip are correlated with
16 the Department of Public Instruction's curriculum
17 objectives.

18 (b) The Department shall report to the Joint
19 Legislative Commission on Governmental Operations, the
20 Environmental Review Commission, and the Fiscal Research Division
21 by January 1, 1999, and again by July 1, 1999, on the grant
22 program. The report shall include a list of amounts awarded and
23 project descriptions for each grant recipient.

CODE NO. 98NATRES-H002-S

Requested by: Representatives Mitchell, Baker, Carpenter

PARKS AND RECREATION/NATURAL HERITAGE TRUST FUNDS REPORTING REQUIREMENTS

1 Section 14.6. (a) G.S. 113-44.15(c) reads as
2 rewritten:

3 "(c) The North Carolina Parks and Recreation Authority shall
4 report ~~on an annual basis~~ no later than October 1 of each year to
5 the Joint Legislative Commission on Governmental Operations, the
6 ~~appropriations committees of the House of Representatives and the~~
7 ~~Senate, and~~ House and Senate Appropriations Subcommittees on
8 Natural and Economic Resources, the Fiscal Research Division
9 Division, and the Environmental Review Commission on allocations
10 from the Trust Fund. ~~Fund~~ from the prior fiscal year. The
11 Authority also shall provide a progress report no later than
12 March 15 of each year to the same recipients on the activities of
13 and the expenditures from the Trust Fund for the current fiscal
14 year."

15 (b) G.S. 113-77.9(e) reads as rewritten:

16 "(e) The Secretary shall maintain and ~~annually~~ revise twice
17 each year a list of acquisitions made pursuant to this Article.
18 The list shall include the acreage of each tract, the county in
19 which the tract is located, the amount paid from the Fund to
20 acquire the tract, and the State department or division
21 responsible for managing the tract. The Secretary shall furnish a
22 copy of the list to each ~~Trustee and to each House of the General~~
23 ~~Assembly~~ Trustee, the Joint Legislative Commission on
24 Governmental Operations, the House and Senate Appropriations
25 Subcommittees on Natural and Economic Resources, the Fiscal
26 Research Division, and the Environmental Review Commission within
27 30 days after each revision."

CODE NO. 98ENV-H020

Requested by: Representatives Mitchell, Baker, Carpenter

NEUSE AND TAR-PAMLICO RIVER BASIN ASSISTANCE

1 Section @. The Department of Environment and Natural
2 Resources shall provide progress reports on an initiative by the
3 Division of Soil and Water Conservation to assist local Soil and
4 Water Conservation Districts in the Neuse and Tar-Pamlico River
5 Basins in targeting and tracking nutrient reduction efforts of
6 agriculture operations, as well as evaluating the cost
7 effectiveness of best management practices. The Department shall
8 report on the activities and accomplishments of this initiative
9 by January 15 and April 15, 1999 to the House and Senate
10 Appropriations Subcommittees on Natural and Economic Resources
11 and the Fiscal Research Division.

Requested by: Representatives Mitchell, Baker, Carpenter

EXTEND AND EXPAND ENVIRONMENTAL HEALTH PROGRAMS STUDY

1 Section 14.9. (a) Section 11A.127 of S.L. 1997-443
2 reads as rewritten:

3 "Section 11A.127. Pending ~~the results of~~ action by the General
4 Assembly on the recommendations of the Environmental Review
5 Commission resulting from the study to be undertaken by the
6 Environmental Review Commission as provided in this Part, on-site
7 wastewater functions, public drinking water programs, and
8 environmental health programs shall remain in the Department of
9 Environment and Natural Resources, the Division of Environmental
10 Health, shall remain intact in the Department of Environment and
11 Natural Resources, and the Department of Environment and Natural
12 Resources shall not consolidate on-site wastewater functions or
13 drinking water programs in the Division of Water Quality."

14 (b) Section 11A.128 of S.L. 1997-443 reads as
15 rewritten:

16 "Section 11A.128. The Environmental Review Commission shall
17 study the following issues and report its findings to the 1997
18 ~~General Assembly, Regular Session 1998, 1999 General Assembly,~~
19 along with any legislation it proposes to address these issues:

- 20 (1) The appropriate roles and financing of local and
21 state agencies in reviewing, permitting,
22 inspecting, and monitoring private wells, community
23 wells, municipal wells, and municipal surface water
24 supplies;
- 25 (2) The appropriate roles and financing of local and
26 State agencies in reviewing, permitting,
27 inspecting, monitoring, and maintaining septic
28 tanks, package wastewater treatment plants,
29 municipal wastewater treatment plants, industrial
30 treatment plants, and animal waste operations;
- 31 (3) The appropriate roles and financing of local and
32 State agencies in administering the various
33 environmental health programs;
- 34 (4) The integration of State's review of the financial
35 integrity of applicants for drinking water and
36 wastewater discharge permits;
- 37 (5) Policies to monitor the quality and prevent and
38 reduce pollution of groundwaters;

- 1 (6) Consistent State policies for cleaning up
2 contaminated groundwater and soils;
3 (7) Coordination of adoption and development of
4 policies by the Coastal Resources Commission,
5 Environmental Management Commission, Commission on
6 Health Services, Marine Fisheries Commission, and
7 other commissions having roles in water quality or
8 wastewater issues;
9 (8) Policies to monitor the quality and prevent and
10 reduce pollution of surface waters;
11 (9) Organization of the State's water planning
12 agencies;
13 (10) Technical and financial assistance to business,
14 industry, local governments, and citizens;
15 (11) Policies to encourage water conservation;
16 (12) Policies to encourage regional water supply and
17 wastewater treatment planning; and
18 (13) The role of the North Carolina Cooperative
19 Extension Services, North Carolina Department of
20 Agriculture, and the North Carolina Department of
21 Transportation in the protection of water ~~supplies~~
22 supplies; and
23 (14) The organization, functions, powers, and duties of
24 the various boards, commissions, and councils
25 having jurisdiction over environmental, public
26 health, and natural resources programs, including
27 whether those functions, powers, and duties should
28 be consolidated in a single commission."
29 (c) Section 11A.129 of S.L. 1997-443 reads as
30 rewritten:
31 "Section 11A.129. The Secretary of Health and Human Services
32 may reorganize the Department of Health and Human Services in
33 accordance with G.S. 143B-10 and shall report as required by that
34 section. In addition, the Department of Health and Human
35 Services shall do the following:
36 (1) Report to the Joint Legislative Commission on
37 Governmental Operations by December 31, 1997, on
38 the Department's progress in incorporating health
39 functions and agencies into the Department;
40 (2) Report to the General Assembly by May 1, 1998, 1
41 February 1999 on additional changes, including
42 proposed legislation necessary to effectuate the
43 purposes of this Part including the findings of the
44 Environmental Review Commission's ~~study~~ study;

- 1 (3) Report to the Joint Legislative Commission on
2 Governmental Operations by ~~October 31, 1998~~, 1
3 February 1999 on any proposed changes in the
4 Department's structure of boards and commissions
5 not already implemented as a result of the
6 Environmental Review Commission's study or
7 necessary to effectuate the purposes of this Part
8 and to deliver services more efficiently; and
9 (4) Report to the General Assembly by February 1, 1999,
10 on the Department's progress in adopting any rule
11 changes necessary to effectuate the purposes of
12 this Part and any proposed legislation necessary to
13 change the structure of any boards and commissions
14 as reported to the Joint Legislative Commission on
15 Governmental Operations."

Requested by: Representative Baker

AMEND REQUIREMENTS FOR ABANDONED WELLS

1 Section 8. (a) G.S. 87-88(k) reads as rewritten:

2 "(k) Abandonment of Wells. --

3 (1) Temporary Abandonment: When any well is temporarily
4 removed from service, the top of the well shall be
5 sealed with a water-tight cap or seal.

6 (2) Permanent Abandonment: Any Subject to subsection
7 (k1) of this section, any well that is to be
8 permanently abandoned shall be filled, plugged, or
9 sealed in such a manner as to prevent the well from
10 being a channel allowing the vertical movement of
11 water and a source of contamination of the
12 groundwater supply. sealed with a water-tight cap
13 or seal."

14 (b) G.S. 87-88 is amended by adding a new subsection to
15 read:

16 "(k1) The Department shall give written notice pursuant to
17 G.S. 1A-1, Rule 4 to the owner of a permanently abandoned well
18 when the well presents a clear threat to public safety or is
19 contaminating groundwater. If the well owner does not take
20 remedial action within 90 days from the date of service of the
21 notice, the well owner is required to fill, plug, or seal the
22 abandoned well in such a manner as to prevent the well from being
23 a channel allowing the vertical movement of water, a source of
24 contamination of the groundwater, and a threat to public safety."

CODE NO. 98ENV-H018A

Requested by: Representative Culp

RANDLEMAN DAM FUNDS DO NOT REVERT

1 Section @. Section 8(c) of Chapter 777 of the 1993
2 Session Laws, as rewritten by Section 26.2 of Chapter 507 of the
3 1995 Session Laws and Section 15.47(a) of S.L. 1997-443, reads as
4 rewritten:

5 "(c) All funds appropriated in Chapter 769 of the 1993 Session
6 Laws for the construction of Randleman Dam shall revert to the
7 General Fund on ~~October 1, 1999~~, October 1, 2000, if construction
8 has not begun before that date."

9

CODE NO. 98ENV-H005

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

CLEAN WATER MANAGEMENT TRUST FUND/WATER QUALITY MONITORING

1 Section @. For the 1998-99 fiscal year, of the funds
2 reserved under G.S. 143-15.3B to the Clean Water Management Trust
3 Fund, the State Controller shall transfer the sum of one million
4 dollars (\$1,000,000) to the Department of Environment and Natural
5 Resources to expand ambient water quality monitoring efforts
6 across the State and to increase the monitoring of flow and
7 nutrient data in the coastal river basins through the use of
8 automated monitors.

CODE NO. 98ENV-H023

Requested by: Representatives Mitchell, Baker, Carpenter

**CLEAN WATER MANAGEMENT TRUST FUND/UPPER NEUSE RIVER BASIN
WATERSHED MANAGEMENT PLAN**

1 Section @. For the 1998-99 fiscal year, of the funds
2 reserved under G.S. 143-15.3B to the Clean Water Management Trust
3 Fund, the State Controller shall transfer the sum of three
4 hundred thousand (\$300,000) to the Department of Environment and
5 Natural Resources to be allocated to the Upper Neuse River Basin
6 Association to develop a comprehensive and coordinated state-
7 local watershed management plan for the Upper Neuse River Basin.
8 The plan will serve as a model watershed management approach for
9 river basins and sub-basins in North Carolina.

CODE NO. 98ENV-H017

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

STATE MATCH FOR FEDERAL WATER SUPPLY AND WASTEWATER ASSISTANCE FUNDS

1 Section @. For the 1998-99 fiscal year, of the funds
2 reserved under G.S. 143-15.3B to the Clean Water Management Trust
3 Fund, the State Controller shall transfer the sum of seven
4 million four hundred thirty-two thousand four hundred twelve
5 dollars (\$7,432,412) to the Department of Environment and Natural
6 Resources to be allocated as follows:

- 7 (1) The sum of \$4,860,352 shall be used for the twenty
8 percent (20%) State match required to receive
9 federal wastewater assistance funds for revolving
10 construction loans and other assistance as set
11 forth in Chapter 159G of the General Statutes. The
12 funds allocated under this section shall be
13 deposited in the State Revolving Water Fund account
14 of the Clean Water Pollution Control Revolving
15 Fund.
- 16 (2) The sum of \$2,571,880 shall be used for the twenty
17 percent (20%) State match required to receive
18 federal water supply assistance funds for revolving
19 construction loans and other assistance as set
20 forth in Title I, section 130 of the federal Safe
21 Drinking Water Act Amendments of 1996. The funds
22 allocated under this section are to be deposited in
23 a State fund that is available from year to year
24 for the purpose of providing revolving loans and
25 grants to local government units for water supply
26 assistance.

27

Requested by: Representatives Mitchell, Baker, Carpenter,
Allred

NITROGEN LIMITS APPLY ONLY IF NITROGEN IS NUTRIENT OF CONCERN

- 1 Section @. G.S. 143-215.1(c1) reads as rewritten:
2 "(c1) Any person who is required to obtain an individual
3 wastewater permit under this section for a facility discharging
4 to the surface waters of the State that have been classified as
5 nutrient sensitive waters (NSW) under rules adopted by the
6 Commission where nitrogen is designated by the Commission as a
7 nutrient of concern shall not discharge more than an average
8 annual mass load of total nitrogen than would result from a
9 discharge of the permitted flow, determined at the time the
10 Commission makes a finding that those waters are experiencing or
11 are subject to excessive growth of microscopic or macroscopic
12 vegetation, having a total nitrogen concentration of five and
13 one-half milligrams of nitrogen per liter (5.5 mg/l). The total
14 nitrogen concentration of 5.5 mg/l for nutrient sensitive waters
15 required by this subsection applies only to:
- 16 (1) Facilities that were placed into operation prior to
17 1 July 1997 or for which an authorization to
18 construct was issued prior to 1 July 1997 and that
19 have a design capacity to discharge 500,000 gallons
20 per day or more.
21 (2) Facilities for which an authorization to construct
22 is issued on or after 1 July 1997."

CODE NO. 98ENV-H008-S

Requested by: Representatives Mitchell, Baker, Carpenter, Tolson

TAR-PAMLICO RIVER BASIN/RULE CORRECTION

1 Section 14.11. The Environmental Management Commission
2 may adopt a temporary rule pursuant to G.S. 150B-21.1 to provide
3 that the boundaries of a WS-IV watershed protected area are
4 measured by linear miles rather than "river miles" (as the river
5 flows) if the Environmental Management Commission finds that the
6 permanent rule being amended was approved by the Rules Review
7 Commission in the 1997-98 fiscal year, the local governments
8 affected by the rule inadvertently chose "river miles" rather
9 than linear miles based on a misunderstanding of the different
10 effects of the two measurement choices, and the public interest
11 would be served by changing the method of measurement. The
12 temporary rule shall become effective at the same time as the
13 rule it amends.
14

CODE NO. 98ENV-H014.01

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

**PROGRESS REPORTS/ISOTOPE STUDY TO IDENTIFY SOURCES OF NITROGEN IN
NEUSE AND CAPE FEAR RIVER BASINS**

1 Section @. The Primary Investigator or Researcher
2 receiving funding from funds appropriated in this act to the
3 Department of Environment and Natural Resources for the 1998-99
4 fiscal year for the isotope study to identify sources of nitrogen
5 in the waters of the Neuse and Cape Fear River Basins shall
6 satisfy the same reporting requirements as those set forth in
7 Section 15.10 of S.L. 1997-443 for all the agriculture waste
8 research reports.

CODE NO. 98ENV-H012-S

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

PROGRESS REPORTS/ALTERNATIVE ANIMAL WASTE TECHNOLOGIES STUDY

1 Section 14.13. The Primary Investigator or Researcher
2 receiving funding from funds appropriated in this act to the
3 Department of Environment and Natural Resources for the 1998-99
4 fiscal year for the study of alternative animal waste
5 technologies shall satisfy the same reporting requirements as
6 those set forth in Section 15.10 of S.L. 1997-443 for all the
7 agriculture waste research reports.

CODE NO. 98ENV-H013-S

Requested by: Representatives Mitchell, Baker, Carpenter

CHATHAM FUNDS FOR LOW-LEVEL RADIOACTIVE WASTE SITING

1 Section 14.17. Of the funds appropriated to the
2 Department of Environment and Natural Resources in this act, the
3 sum of one hundred thousand dollars (\$100,000) shall be used to
4 reimburse Chatham County for the unreimbursed costs to Chatham
5 County for providing technical assistance regarding the site
6 selection of a low-level radioactive waste facility pursuant to
7 Chapter 104G of the General Statutes and for other expenses
8 incurred by Chatham County related to licensing and siting a low-
9 level radioactive waste facility.

CODE NO. 98ENV-H015-S

Requested by: Representatives Mitchell, Baker, Carpenter

OREGON INLET STABILIZATION STUDY COMMISSION

1 Section @. (a) Section 32.22 of S.L. 1997-443 is
2 repealed.

3 (b) There is created the Oregon Inlet Stabilization
4 Study Commission, an independent study commission, to continue
5 the investigations undertaken by the Legislative Research
6 Commission's Oregon Inlet Stabilization Study Committee during
7 the 1997-98 interim as authorized by Section 32.22 of S.L. 1997-
8 443.

9 The membership and chairmanship of the Study Commission
10 shall be the same as that of the former Study Committee.
11 Vacancies shall be filled by the person who made the initial
12 appointment. Members of the Commission shall receive subsistence
13 and travel allowances in accordance with G.S. 120-3.1 or G.S.
14 138-5, as appropriate.

15 The Study Commission may hold hearings to receive public
16 input on the potential benefits and costs to the State of
17 stabilizing the inlet and consider alternative procedures and
18 actions for the stabilization of the inlet along with the
19 environmental, economic, governmental, and cultural costs and
20 benefits that may result from the stabilization.

21 In analyzing the benefits and costs of stabilizing the
22 Oregon Inlet, the Study Commission may employ the expertise of
23 the Departments of Environment and Natural Resources,
24 Transportation, and Justice and may solicit the assistance of the
25 United States Army Corps of Engineers and any other federal or
26 State agencies that might assist the study.

27 Upon approval of the Legislative Services Commission,
28 the Legislative Services Officer shall assign appropriate
29 professional staff from the Legislative Services Office of the
30 General Assembly to assist with the study. The House of
31 Representatives' and the Senate's Supervisors of Clerks shall
32 assign clerical staff to the Commission, upon the direction of
33 the Legislative Services Commission. The Commission may meet in
34 the Legislative Building or the Legislative Office Building upon
35 the approval of the Legislative Services Commission.

36 The Study Commission may consider any of the following:

37 (1) Continuation of the study beyond the current
38 biennium until the issues surrounding the

1 stabilization of the Oregon Inlet are finally
2 resolved.

3 (2) Additional detailed studies of the benefits and
4 costs of stabilizing the Oregon Inlet including a
5 long-range plan for the stabilization of the inlet
6 and a projection for the State's future costs of
7 participation in that stabilization.

8 (3) Necessary statutory changes needed to implement any
9 planned inlet stabilization.

10 (4) Alternatives to the stabilization of the Oregon
11 Inlet.

12 (5) Funding sources for any stabilization projects or
13 studies.

14 The Commission shall submit an interim or final report
15 with any recommendations to the 1999 Session of the General
16 Assembly prior to the adjournment of that session. The
17 Commission may meet during the 1999 Session of the General
18 Assembly at any time when neither the House of Representatives
19 nor the Senate are in session.

20 The Commission shall terminate upon the issuance of its
21 final report.

22 (c) The Department of Environment and Natural Resources
23 is designated as the lead State agency for monitoring, studying,
24 analyzing, and making recommendations for the State on the
25 stabilization of the Oregon Inlet. The Department shall carry
26 out all duties associated with this designation using funds
27 already appropriated to the Department.

28 (d) G.S. 143B-279.2 reads as rewritten:

29 "§ 143B-279.2. Department of Environment and Natural Resources
30 -- duties.

31 It shall be the duty of the Department:

32 (1) To provide for the protection of the environment;

33 (1a) To administer the State Outer Continental Shelf
34 (OCS) Task Force and coordinate State participation
35 activities in the federal outer continental shelf
36 resource recovery programs as provided under the
37 OCS Lands Act Amendments of 1978 (43 USC §§ 1801 et
38 seq.) and the OCS Lands Act Amendments of 1986 (43
39 USC §§ 1331 et seq.).

40 (1b) To provide for the protection of the environment
41 and public health through the regulation of solid
42 waste and hazardous waste management and the
43 administration of environmental health programs.

44 (2) Repealed by Session Laws 1997-443, s. 11A.5.

- 1 (2a) To provide and keep a museum or collection of the
2 natural history of the State and to maintain the
3 North Carolina Biological Survey; and
4 (3) To provide for the management of the State's
5 natural resources.
6 (4) To monitor, study, analyze, and make
7 recommendations for the State on the stabilization
8 of the Oregon Inlet."

Requested by: Representatives Mitchell, Baker, Carpenter, Hall,
H. Hunter

STATEWIDE BEAVER DAMAGE CONTROL PROGRAM FUNDS

1 Section 14.16. (a) Subsections (e) through (h) of
2 Section 69 of Chapter 1044 of the 1991 Session Laws, as amended,
3 are repealed.

4 (b) Section 69 of Chapter 1044 of the 1991 Session Laws,
5 as amended by Section 111 of Chapter 561 of the 1993 Session
6 Laws, Section 27.3 of Chapter 769 of the 1993 Session Laws,
7 Section 26.6 of Chapter 507 of the 1995 Session Laws, Section
8 27.15 of Chapter 18 of the Session Laws of the 1996 Second Extra
9 Session, Section 15.44 of S.L. 1997-443, and subsection (a) of
10 this section reads as rewritten:

11 "Sec. 69. (a) There is established the Beaver Damage Control
12 Advisory Board. The Board shall consist of nine members, as
13 follows:

- 14 (1) The Executive Director of the North Carolina
15 Wildlife Resources Commission, or his designee, who
16 shall serve as chair;
- 17 (2) The Commissioner of ~~Agriculture~~, Agriculture and
18 Consumer Services, or a designee;
- 19 (3) The Director of the Division of Forest Resources of
20 the Department of ~~Environment, Health~~, Environment
21 and Natural Resources, or a designee;
- 22 (4) The Director of the Soil and Water Conservation
23 Division of the Department of ~~Environment, Health~~,
24 Environment and Natural Resources, or a designee;
- 25 (5) The Director of the North Carolina Cooperative
26 Extension Service, or a designee;
- 27 (6) The Secretary of Transportation, or a designee;
- 28 (7) The State Director of the Animal Damage Control
29 Division of the Animal and Plant Health Inspection
30 Service, U.S. Department of Agriculture, or a
31 designee;
- 32 (8) The President of the North Carolina Farm Bureau
33 Federation, Inc., or a designee, representing
34 private ~~landowners in the participating counties~~;
35 landowners; and
- 36 (9) A representative of the North Carolina Forestry
37 Association.

1 (b) The Beaver Damage Control Advisory Board shall develop a
2 statewide program to control beaver damage on private and public
3 lands. ~~Anson, Bertie, Bladen, Brunswick, Carteret, Chatham,~~
4 ~~Chowan, Craven, Columbus, Cumberland, Duplin, Edgecombe,~~
5 ~~Franklin, Gates, Granville, Greene, Halifax, Harnett, Hertford,~~
6 ~~Hoke, Johnston, Jones, Lee, Lenoir, Lincoln, Martin, Nash,~~
7 ~~Northampton, Onslow, Pamlico, Pender, Pitt, Robeson, Sampson,~~
8 ~~Scotland, Vance, Warren, Washington, Wayne, and Wilson Counties~~
9 ~~shall participate in the program.~~ The Beaver Damage Control
10 Advisory Board shall act in an advisory capacity to the Wildlife
11 Resources Commission in the implementation of the program. In
12 developing the program, the Board shall:

- 13 (1) Orient the program primarily toward public health
14 and safety and toward landowner assistance,
15 providing some relief to landowners through beaver
16 control and management rather than eradication;
- 17 (2) Develop a priority system for responding to
18 complaints about beaver damage;
- 19 (3) Develop a system for documenting all activities
20 associated with beaver damage control, so as to
21 facilitate evaluation of the program;
- 22 (4) Provide educational activities as a part of the
23 program, such as printed materials, on-site
24 instructions, and local workshops; and
- 25 (5) Provide for the hiring of personnel necessary to
26 implement beaver damage control activities,
27 administer the program, and set salaries of
28 personnel;
- 29 ~~(6) Evaluate the costs and benefits of the program that~~
30 ~~might be applicable elsewhere in North Carolina.~~
31 personnel.

32 No later than ~~January 15, 1998,~~ March 15 of each year, the
33 Board shall issue a report to the Wildlife Resources Commission
34 Commission, the Senate and House Appropriations Subcommittees on
35 Natural and Economic Resources, and the Fiscal Research Division
36 on the program to date, including recommendations on the
37 feasibility of continuing the program in participating counties
38 and the desirability of expanding the program into other
39 counties. results of the program during the preceding year. The
40 Wildlife Resources Commission shall prepare a plan to implement a
41 statewide program to control beaver damage on private and public
42 lands. ~~No later than March 15, 1998, the Wildlife Resources~~
43 ~~Commission shall present its plan in a report to the House~~
44 ~~Appropriations Subcommittee on Natural and Economic Resources,~~

1 ~~the Senate Appropriations Committee on Natural and Economic~~
2 ~~Resources, and the Fiscal Research Division.~~

3 (c) The Wildlife Resources Commission shall implement the
4 program, and may enter a cooperative agreement with the Animal
5 Damage Control Division of the Animal and Plant Health Inspection
6 Service, United States Department of Agriculture, to accomplish
7 the program.

8 (d) Notwithstanding G.S. 113-291.6(d) or any other law, it is
9 lawful to use snares when trapping beaver pursuant to the beaver
10 damage control program developed pursuant to this section. The
11 provisions of Chapter 218 of the 1975 Session Laws; Chapter 492
12 of the 1951 Session Laws, as amended by Chapter 506 of the 1955
13 Session Laws; and Chapter 1011 of the 1983 Session Laws do not
14 apply to trapping carried out in implementing the beaver damage
15 control program developed pursuant to this section.

16 (d1) In case of any conflict between G.S. 113-291.6(a) and G.S.
17 113-291.6(b) and this section, this section prevails.

18 (d2) Each county that volunteers to participate in this
19 program for a given fiscal year shall provide written
20 notification of its wish to participate no later than September
21 30 of that year and shall commit the sum of four thousand dollars
22 (\$4,000) in local funds no later than September 30 of that year."

23 (c) The Revisor of Statutes shall codify in Chapter 113
24 of the General Statutes Section 69 of Chapter 1044 of the 1991
25 Session Laws as amended.

26 (d) Of the funds appropriated in this act to the
27 Wildlife Resources Commission for the 1998-99 fiscal year, up to
28 the sum of five hundred thousand dollars (\$500,000) shall be used
29 to provide the State share necessary to support the beaver damage
30 control program as revised in this section, provided the sum of
31 twenty-five thousand dollars (\$25,000) in federal funds is
32 available for the 1998-99 fiscal year to provide the federal
33 share.

Requested by: Representatives Mitchell, Baker, Carpenter,
H. Hunter

REGIONAL ECONOMIC DEVELOPMENT COMMISSION ALLOCATIONS

1 Section 15. Section 16.11 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 16.11. (a) Funds appropriated in this act to the
4 Department of Commerce for regional economic development
5 commissions shall be allocated to the following commissions in
6 accordance with subsection (b) of this section: Western North
7 Carolina Regional Economic Development Commission, Research
8 Triangle Regional Commission, Southeastern North Carolina
9 Regional Economic Development Commission, Piedmont Triad
10 Partnership, Northeastern North Carolina Regional Economic
11 Development Commission, Global TransPark Development Commission,
12 and Carolinas Partnership, Inc.

13 (b) Funds appropriated pursuant to subsection (a) of
14 this section shall be allocated to each regional economic
15 development commission as follows:

16 (1) First, the Department shall establish each
17 commission's allocation by determining the sum of
18 allocations to each county that is a member of that
19 commission. Each county's allocation shall be
20 determined by dividing the county's enterprise
21 factor by the sum of the enterprise factors for
22 eligible counties and multiplying the resulting
23 percentage by the amount of the appropriation. As
24 used in this subdivision, the term "enterprise
25 factor" means a county's enterprise factor as
26 calculated under G.S. 105-129.3;

27 (2) Next, the Department shall subtract from funds
28 allocated to the Global TransPark Development Zone
29 the sum of two hundred ~~seventy-six thousand nine~~
30 ~~hundred twenty-three dollars (\$276,923)~~ eighty
31 thousand five hundred two dollars (\$280,502) ~~in~~
32 ~~each fiscal year, in the 1998-99 fiscal year,~~ which
33 sum represents the interest earnings in each fiscal
34 year on the estimated balance of seven million five
35 hundred thousand dollars (\$7,500,000) appropriated
36 to the Global TransPark Development Zone in Section
37 6 of Chapter 561 of the 1993 Session Laws; and

1 (3) Next, the Department shall redistribute the sum of
2 two hundred ~~seventy-six thousand nine hundred~~
3 ~~twenty-three dollars (\$276,923)~~ eighty thousand
4 five hundred two dollars (\$280,502) ~~in each fiscal~~
5 ~~year~~ in the 1998-99 fiscal year to the seven
6 regional economic development commissions named in
7 subsection (a) of this section. Each commission's
8 share of this redistribution shall be determined
9 according to the enterprise factor formula set out
10 in subdivision (1) of this subsection. This
11 redistribution shall be in addition to each
12 commission's allocation determined under
13 subdivision (1) of this subsection."
14
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17

CODE NO. 98COMM-H011-S

Requested by: Representatives Mitchell, Baker, Carpenter

MARKETING OF GLOBAL TRANSPARK BY DEPARTMENT OF COMMERCE

1 Section 15.2. The Division of Business and Industry of
2 the Department of Commerce shall assume responsibility for the
3 marketing of the North Carolina Global TransPark. Funds
4 designated in the Department's budget for marketing of the North
5 Carolina Global TransPark shall remain in the Department and
6 shall be used by the Division to carry out this purpose.

7

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Requested by: Representatives Mitchell, Baker, Carpenter,
Hardy, H. Hunter, Preston

HISTORIC WATERFRONT REVITALIZATION

1 Section @. (a) Planning Grants. -- A unit of local
2 government that is located within a county assigned to the
3 Northeastern North Carolina Regional Economic Development
4 Commission established by G.S. 158-8.2, is eligible for planning
5 grants for a proposed revitalization project as provided in this
6 section if it meets all of the following conditions:

- 7 (1) The unit is, or is located in, a Tier One, Tier
8 Two, or Tier Three Enterprise Area as defined in
9 G.S. 105-129.3 as of the date it applies for
10 certification of planning stage eligibility.
- 11 (2) The proposed revitalization project is located in a
12 National Register Historic District or includes the
13 rehabilitation of a certified historic structure as
14 defined in G.S. 105-130.42.
- 15 (3) The area of the proposed revitalization project is
16 either contiguous to a navigable waterway or
17 connected to a navigable waterway by a pedestrian
18 walkway or alternative vehicular access trail that
19 is natural, historically significant, or both.
- 20 (4) The Northeastern Regional Economic Development
21 Commission agrees to provide matching funds for the
22 planning grant as required under subsection (b) of
23 this section.

24 (b) Matching requirement. Planning grants awarded by the
25 Department are contingent upon matching funds provided by the
26 Northeastern North Carolina Regional Economic Development
27 Commission on the basis of one dollar of Commission funds for
28 every two dollars of State funds allocated under the grant.

29 (c) Application; grant limitations. -- A unit of local
30 government may apply to the Department of Commerce for
31 certification of planning stage eligibility for the benefits
32 provided in this section with respect to a revitalization
33 project. The application must include all information required
34 by the Department to determine the eligibility of the unit.
35 Within funds appropriated for this purpose, the Department of
36 Commerce shall award grants to applicants eligible under this
37 section. Initial grant awards shall not exceed fifty thousand
38 dollars (\$50,000) per grant. If at the end of the third quarter

1 of the 1998-99 fiscal year funds remain available for grant
2 purposes, then the Department may make supplemental awards to any
3 prior grant recipient if in the Department's judgment a
4 supplemental grant award has merit.

5 (d) Technical Assistance. -- The Department of Commerce is
6 encouraged to provide technical assistance to eligible local
7 governments in preparing State and federal grant and loan
8 applications with respect to the proposed revitalization project.

9 (e) Reports. -- The Department of Commerce shall report
10 annually to the Joint Legislative Commission on Governmental
11 Operations and to the House Appropriations Subcommittee on
12 Natural and Economic Resources and the Senate Appropriations
13 Committee on Natural and Economic Resources on the grants awarded
14 to and assistance provided to eligible local governments with
15 respect to proposed historic waterfront revitalization projects,
16 including information regarding to whom grants were made, in what
17 amounts, and for what projects.

Requested by: Representatives Mitchell, Baker, Carpenter, Hall

COMPETITIVE GOVERNMENT INITIATIVE

1 Sec. @. (a) The General Statutes are amended by adding
2 a new Chapter to read:

3 "Chapter 143C.

4 "North Carolina Government Competition Act of 1998.

5 "§ 143C-1. Short title.

6 This Chapter shall be known and may be cited as the 'North
7 Carolina Government Competition Act'.

8 "§ 143C-2. Definitions.

9 As used in this Chapter, unless the context requires otherwise:

10 (1) 'Commission' means the North Carolina Government
11 Competition Commission.

12 (2) 'State agency' means any State department, agency,
13 or institution.

14 "§ 143C-3. North Carolina Government Competition Commission
15 created; duties.

16 (a) The North Carolina Government Competition Commission is
17 created within the Department of Commerce. The Commission shall
18 exercise its powers independently of the Secretary of Commerce
19 and shall be subject to the direction and supervision of the
20 Secretary of Commerce only with respect to the management
21 functions of coordination and reporting. The purpose of the
22 Commission is to be the catalyst for the use of competition to
23 improve the delivery of State government services, to make State
24 government more effective and more efficient, and to reduce the
25 costs of government to taxpayers.

26 (b) The Commission shall:

27 (1) Develop an institutional framework for a statewide
28 competition initiative to encourage innovation and
29 competition within State government.

30 (2) Establish a system to encourage the use of
31 feasibility studies and innovation to determine
32 where competition could reduce government costs
33 without adversely affecting essential services.

34 (3) Monitor the activities, products, and services of
35 State agencies to bring an element of competition
36 and to ensure a spirit of innovation and
37 entrepreneurship to compete with the private sector
38 to increase the quality of services or reduce costs
39 to taxpayers.

- 1 (4) Identify any barriers to competition in State
2 government and recommend actions to overcome those
3 barriers.
- 4 (5) Promote acceptance of competition by State
5 government officials and State employees as a
6 viable alternative to in-house operations for
7 delivering State government services where savings
8 to the State may be realized through competition,
9 including the development and implementation of
10 State employee adjustment and incentive programs.
- 11 (6) Advocate, develop, and accelerate implementation of
12 a competitive program for State agencies to ensure
13 competition for the provision or production of
14 government services from both public sector and
15 private sector entities.
- 16 (7) Establish approval, planning, and reporting
17 processes required to carry out the functions of
18 the Commission.
- 19 (8) Determine the competition potential of a State
20 program or activity, perform cost and benefit
21 analyses, and conduct public and private
22 competition analyses.
- 23 (9) Devise evaluation criteria to be used in conducting
24 performance reviews of any State program or
25 activity that is subject to a competition
26 recommendation.
- 27 (10) Assess the short-term and long-term results of
28 State government competition efforts.
- 29 (11) Appoint, as needed, ad hoc committees relating to
30 specific matters within the Commission's purview.
- 31 "§ 143C-4. Membership; appointment; terms; vacancies; chair;
32 quorum; compensation.
- 33 (a) The Commission shall be composed of nine members to be
34 appointed as follows:
- 35 (1) Three members appointed by the Governor, one of
36 whom shall be a State employee and two of whom
37 shall be members of the private sector. One of
38 these private sector members shall have large-scale
39 purchasing experience.
- 40 (2) Three members appointed by the Speaker of the House
41 of Representatives, two of whom shall be members of
42 the private sector and one of whom shall be a State
43 employee.

1 (3) Three members appointed by the President Pro
2 Tempore of the Senate, two of whom shall be members
3 of the private sector and one of whom shall be a
4 State employee.

5 Members of the Commission shall serve two-year terms. In
6 making the initial appointments to the Commission, the respective
7 appointing authorities shall appoint at least one member for a
8 one-year term so that subsequent terms stagger.

9 (b) All initial appointments shall become effective July 1,
10 1998. The initial members' terms shall end on June 30 of the
11 applicable year in which a term expires, with the subsequent term
12 beginning on July 1 of that year. No member may serve more than
13 two consecutive terms. Vacancies shall be filled by the
14 appointing authority for any unexpired portion of a term. Members
15 shall receive subsistence, per diem, and travel allowances as
16 provided by G.S. 138-5.

17 (c) A majority of the members shall constitute a quorum. The
18 Commission shall annually elect its chair and vice-chair from
19 among its members.

20 (d) The Commission shall appoint an executive director and
21 other necessary staff within funds available to it.

22 "§ 143C-5. Cooperation of other State agencies.

23 All State agencies shall cooperate with the Commission and,
24 upon request, assist the Commission in the performance of its
25 duties and responsibilities. The Commission shall not impose
26 unreasonable burdens or costs in connection with requests of
27 State agencies.

28 "§ 143C-6. Application for and acceptance of certain gifts and
29 grants; authority to enter into contract; applicability of State
30 purchasing laws.

31 (a) The Commission may apply for, accept, and expend gifts,
32 grants, or donations from governmental sources or from private
33 nonprofit foundations organized for taxation purposes under
34 section 501(c)(3) of the Internal Revenue Code to enable it to
35 better carry out its objectives. No entity that provides a gift,
36 donation, or grant shall be eligible for a contract award that
37 results from action of a Commission recommendation.

38 (b) The Commission may contract for professional or consultant
39 service. Any consultant awarded a contract shall be ineligible
40 for a contract award resulting from the consultant's
41 recommendations.

42 (c) The Commission is subject to the provisions of Articles 3,
43 3C, and 3D of Chapter 143 of the General Statutes.

1 "§ 143C-7. Public-private competition analysis; proposals for
2 competition.

3 (a) The Governor, the General Assembly, or the Commission may
4 direct a State agency to perform a public-private competition
5 analysis covering any service for which the Commission has
6 received from a private entity a qualifying unsolicited proposal
7 for competition that is consistent with the Commission's purposes
8 and duties as provided in this Chapter.

9 (b) The Commission may solicit competition proposals from
10 private entities for the purposes of making cost-comparison
11 analyses. Any State agency may submit proposals to the
12 Commission for cost-comparison analyses.

13 (c) If a service contract is awarded to a private vendor as a
14 result of a recommendation by the Commission, cancellation of the
15 contract requires the prior approval of both the Commission and
16 the Division of Purchase and Contract. The Commission's
17 executive director may act on behalf of the Commission under this
18 subsection pursuant to rules adopted by the Commission.

19 "§ 143C-8. Duties of the Office of State Budget and Management.

20 The Office of State Budget and Management shall determine the
21 amount of an existing appropriation that would no longer be
22 needed by a State agency as the result of savings realized
23 through competition and shall report annually, by February 1, the
24 nature and amount of the savings to the Governor and to the Joint
25 Legislative Commission on Governmental Operations.

26 "§ 143C-9. Reports to the Governor and General Assembly.

27 The Commission shall report annually, by February 1, its
28 findings and recommendations to the Governor and the Joint
29 Legislative Commission on Governmental Operations and may make
30 other interim reports it deems advisable."

31 (b) Funds appropriated in this act to the Department of
32 Commerce for the Competitive Government Initiative shall be used
33 by the Department to implement this section.

34

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Requested by: Representatives Mitchell, Baker, Carpenter, Hall,
H. Hunter

RURAL TOURISM DEVELOPMENT GRANT PROGRAM

1 Section 15.3. Of the funds appropriated in this act to
2 the Department of Commerce, the sum of one hundred thousand
3 dollars (\$100,000) for the 1998-99 fiscal year shall be allocated
4 for the Rural Tourism Development Grant Program. The Department
5 shall establish and implement this Program to provide grants to
6 local governments and nonprofit organizations to encourage the
7 development of new tourism projects and activities in rural areas
8 of the State. The Department shall develop procedures for the
9 administration and distribution of funds allocated to the Rural
10 Tourism Development Program under the following guidelines:

- 11 (1) Eligible organizations shall make application under
12 procedures established by the Department;
- 13 (2) Eligible organizations shall be nonprofit tourism-
14 related organizations located in the State's rural
15 regions;
- 16 (3) Priority shall be given to eligible organizations
17 that have significant involvement of travel- and
18 tourism-related businesses;
- 19 (4) Priority shall be given to eligible organizations
20 serving economically distressed rural counties;
- 21 (5) Priority shall be given to eligible organizations
22 that match funds; and
- 23 (6) Funds shall not be used for renting or purchasing
24 land or buildings or for financing debt.

25 No recipient or new tourism project shall receive a
26 total of more than fifty thousand dollars (\$50,000) of these
27 grant funds for the 1998-99 fiscal year.
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Requested by: Representatives Mitchell, Baker, Carpenter

WORKER TRAINING TRUST FUND APPROPRIATIONS

1 Section 15.6A. Section 16 of Chapter 443 of the 1997
2 Session Laws reads as rewritten:

3 "Section 16. (a) There is appropriated from the Worker
4 Training Trust Fund to the Employment Security Commission of
5 North Carolina the sum of six million six hundred eighty-nine
6 thousand nine hundred sixty-four dollars (\$6,689,964) for the
7 1997-98 fiscal year and the sum of ~~six million six hundred~~
8 ~~eighty-nine thousand nine hundred sixty-four dollars (\$6,689,964)~~
9 seven million twenty-one thousand three hundred seventy-four
10 dollars (\$7,021,374) for the 1998-99 fiscal year for the
11 operation of local offices.

12 (b) Notwithstanding the provisions of G.S. 96-5(f),
13 there is appropriated from the Worker Training Trust Fund to the
14 following agencies the following sums for the 1997-98 and the
15 1998-99 fiscal years for the following purposes:

16 (1) \$2,400,000 for the 1997-98 fiscal year and
17 ~~\$2,400,000~~ \$2,050,000 for the 1998-99 fiscal year
18 to the Department of Commerce, Division of
19 Employment and Training, for the Employment and
20 Training Grant Program;

21 (2) \$1,000,000 for the 1997-98 fiscal year and
22 \$1,000,000 for the 1998-99 fiscal year to the
23 Department of Labor for customized training of the
24 unemployed and the working poor for specific jobs
25 needed by employers through the Department's Bureau
26 for Training Initiatives;

27 (3) \$1,746,000 for the 1997-98 fiscal year and
28 \$1,746,000 for the 1998-99 fiscal year to the
29 Department of Community Colleges to continue the
30 Focused Industrial Training Program;

31 (4) \$225,000 for the 1997-98 fiscal year and \$225,000
32 for the 1998-99 fiscal year to the Employment
33 Security Commission for the State Occupational
34 Information Coordinating Committee to develop and
35 operate an interagency system to track former
36 participants in State education and training
37 programs;

38 (5) \$400,000 for the 1997-98 fiscal year and \$400,000
39 for the 1998-99 fiscal year to the Department of

1 Community Colleges for a training program in
2 entrepreneurial skills to be operated by North
3 Carolina REAL Enterprises;
4 (6) \$50,000 for the 1997-98 fiscal year and \$50,000 for
5 the 1998-99 fiscal year to the Office of State
6 Budget and Management to maintain compliance with
7 Chapter 96 of the General Statutes, which directs
8 the Office of State Budget and Management to employ
9 the Common Follow-Up Management Information System
10 to evaluate the effectiveness of the State's job
11 training, education, and placement programs;
12 (7) \$500,000 for the 1997-98 fiscal year and \$1,000,000
13 for the 1998-99 fiscal year to the Department of
14 Labor to expand the Apprenticeship Program. It is
15 intended that the appropriation of funds in this
16 subdivision will result in the Department of Labor
17 serving a benchmark performance level of 10,000
18 adult and youth apprentices by the year 2000; and
19 (8) \$100,000 for the 1997-98 fiscal year and \$100,000
20 for the 1998-99 fiscal year to the State Board of
21 Education for the Teacher Apprenticeship Program.
22 The State Board of Education may use funds
23 appropriated from the Worker Training Trust Fund in
24 this subdivision to design and implement a public
25 school teacher apprenticeship program.
26 (9) \$350,000 for the 1998-99 fiscal year to the
27 Department of Community Colleges for the Hoisery
28 Technology Center of North Carolina. It is the
29 intent of the General Assembly that the Center
30 operate in subsequent fiscal years without any
31 special or supplemental funding."

Requested by: Representatives Mitchell, Baker, Carpenter

YEAR 2000 CLARIFICATIONS

1 Section 15.7. Section 28.1 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 28.1. (a) ~~The Office of State Controller shall~~
4 ~~include in its charges for data processing services costs of~~
5 ~~converting computer applications to operate properly at the turn~~
6 ~~of the century. — The Department of Commerce shall not reduce~~
7 ~~rates for data processing services for the first six months of~~
8 ~~the 1998-99 fiscal year. If at the end of the first six months~~
9 ~~the Department determines that additional Year 2000 funds for the~~
10 ~~1998-99 fiscal year are not needed from data processing services~~
11 ~~reserve funds, then the Department may reduce data processing~~
12 ~~services rates upon approval of the reduction by the Information~~
13 ~~Resources Management Commission. The State Controller Department~~
14 ~~shall develop and maintain procedures for managing the year 2000~~
15 ~~conversion.~~

16 (b) ~~The State Controller Department of Commerce~~ shall analyze
17 the needs of State agencies for funds to convert their systems.
18 In the course of the analysis, the ~~State Controller Department~~
19 shall consider an agency's need for each system it wishes to
20 convert and the most cost-effective manner in which to manage
21 conversion. ~~The State Controller Department~~ shall certify to the
22 Office of State Budget and Management the cost of each State
23 agency for the year 2000 conversion.

24 (c) ~~The Director of the Budget may use up to twenty-five~~
25 ~~million dollars (\$25,000,000) of projected 1997-98 General Fund~~
26 ~~reversions to cover the cost of the year 2000 conversion in~~
27 ~~General Fund agencies during the 1997-98 fiscal year.~~

28 (d) ~~Beginning October 1, 1997, and quarterly thereafter, the~~
29 ~~Office of State Controller shall report to the Joint Legislative~~
30 ~~Commission on Governmental Operations on the status of the~~
31 ~~conversion and cost projections."~~

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Requested by: Representatives Mitchell, Baker, Carpenter

NORTH CAROLINA INFORMATION HIGHWAY

1 Section 15.8. Section 28 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 28. (a) The funds appropriated in this act to the
4 ~~Office of State Controller~~ Department of Commerce for the
5 operation of the North Carolina Information Highway shall be used
6 only for costs incurred by the ~~Office of State Controller~~
7 Department related to the operations and support of the North
8 Carolina Information Highway. No funds appropriated in this act
9 shall be expended to pay Minimum Monthly usage charges for North
10 Carolina Information Highway Services.

11 (b) ~~The Office of State Controller may use the two hundred~~
12 ~~twenty-four thousand dollars (\$224,000) in savings that accrued~~
13 ~~in fiscal year 1996-97 to fund new sites in fiscal year 1997-98.~~

14 (c) ~~The Office of State Controller is encouraged to consider~~
15 ~~new technologies and capabilities as a means of providing NCIH~~
16 ~~users access to the existing ATM-SONET network. The Office of~~
17 ~~State Controller shall report to the General Assembly in 1998~~
18 ~~before the reconvening of the regular session on its findings.~~

19 (d) ~~The State Controller shall report quarterly to the Joint~~
20 ~~Legislative Commission on Governmental Operations regarding the~~
21 ~~costs incurred by the Office of State Controller related to the~~
22 ~~operations and support of the North Carolina Information Highway.~~

23 (e) ~~Given the appropriations subcommittees meet in the interim,~~
24 ~~the House and Senate Appropriations Subcommittees on General~~
25 ~~Government will consider information leading to a recommendation~~
26 ~~to adopt an alternate approach to State funding of sites,~~
27 ~~effective in fiscal year 1998-99. The subcommittee is not~~
28 ~~limited to the information that may be considered and may include~~
29 ~~in the review cost-sharing measures that require sites to~~
30 ~~participate in the annual cost of network charges; the~~
31 ~~phasing-out of one hundred percent (100%) State funding of site~~
32 ~~network charges; and the cost of adding new sites with a specific~~
33 ~~period of time designated for State funding of network charges.~~
34 The Department of Commerce shall develop a Migration Plan for
35 converting existing and proposed North Carolina Information
36 Highway sites to the H.320 international telecommunications
37 standard for delivering audio and video services to participating
38 sites. The Department shall include at a minimum the following
39 information in the Plan:

- 1 (1) A list of sites categorized by institutional
- 2 purpose to be converted under the Plan;
- 3 (2) A timeline for converting each site;
- 4 (3) The cost of conversion for each site;
- 5 (4) The estimated operating cost savings for each site
- 6 post conversion;
- 7 (5) The estimated monthly and annual operating cost
- 8 subsidy for each site post conversion;
- 9 (6) The estimated total recurring dollar impact to the
- 10 State's budget upon full implementation of the
- 11 Plan; and
- 12 (7) A detailed plan for providing connectivity or
- 13 bridging between the current DV-45 proprietary
- 14 standard sites and the converted H.320
- 15 international standard sites.

16 The Plan shall also identify any participating information
17 highway sites that utilize telecommunication standards other than
18 the H.320 international standard offered by the Department along
19 with the estimated costs for providing connectivity or bridging
20 among these sites and between these sites and the converted H.320
21 international standard sites. The Plan shall be submitted by
22 October 1, 1998, to the House and Senate Appropriations
23 Subcommittees on Natural and Economic Resources, the Joint
24 Legislative Commission on Governmental Operations, and the Fiscal
25 Research Division."

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CODE NO. 98COMM-H020

Requested by: Representatives Mitchell, Baker, Carpenter

FUNDS FOR CERTIFIED ECONOMIC DEVELOPMENT TRAINING

1 Sec. @. Notwithstanding G.S. 143-16.3, of the funds
2 appropriated in this act to the Department of Commerce, the
3 Department may use up to twenty-five thousand dollars (\$25,000)
4 to provide economic developers with Certified Economic
5 Development (CED) training, the nationally recognized training
6 standard for economic development professionals.

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CODE NO. 98COMM-H003-S

Requested by: Representatives Mitchell, Baker, Carpenter

NORTH CAROLINA INSTITUTE OF MINORITY ECONOMIC DEVELOPMENT,
INC./REPORT

- 1 Section 15.11. The North Carolina Institute of Minority
2 Economic Development, Inc., shall:
3 (1) By January 15, 1999, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1997-98 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1997-98 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1998-99 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1998; and
14 d. State fiscal year 1998-99 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1998.
18 (2) Provide to the Fiscal Research Division a copy of
19 the organization's annual audited financial
20 statement within 30 days of issuance of the
21 statement.
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Requested by: Representatives Mitchell, Baker, Carpenter

LAND LOSS PREVENTION PROJECT, INC./REPORT

1 Section 15.12. The Land Loss Prevention Project, Inc.,
2 shall:

- 3 (1) By January 15, 1999, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1997-98 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1997-98 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1998-99 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1998; and
14 d. State fiscal year 1998-99 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1998.
18 (2) Provide to the Fiscal Research Division a copy of
19 the organization's annual audited financial
20 statement within 30 days of issuance of the
21 statement.
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Requested by: Representatives Mitchell, Baker, Carpenter

NC MINORITY SUPPORT CENTER/REPORT

- 1 Section 15.14. The North Carolina Minority Support
2 Center shall:
- 3 (1) By January 15, 1999, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
- 7 a. State fiscal year 1997-98 program activities,
8 objectives, and accomplishments;
- 9 b. State fiscal year 1997-98 itemized
10 expenditures and fund sources;
- 11 c. State fiscal year 1998-99 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1998; and
- 14 d. State fiscal year 1998-99 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1998.
- 18 (2) Provide to the Fiscal Research Division a copy of
19 the organization's annual audited financial
20 statement within 30 days of issuance of the
21 statement.
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CODE NO. 98COMM-H021

Requested by: Representatives Mitchell, Baker, Carpenter

WORLD TRADE CENTER OF NORTH CAROLINA/REPORT

1 Section @. The World Trade Center of North Carolina
2 shall:

- 3 (1) By January 15, 1999, and more frequently as
4 requested, report to the Joint Legislative
5 Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
7 a. State fiscal year 1997-98 program activities,
8 objectives, and accomplishments;
9 b. State fiscal year 1997-98 itemized
10 expenditures and fund sources;
11 c. State fiscal year 1998-99 planned activities,
12 objectives, and accomplishments including
13 actual results through December 31, 1998; and
14 d. State fiscal year 1998-99 estimated itemized
15 expenditures and fund sources including actual
16 expenditures and fund sources through December
17 31, 1998.
18 (2) Provide to the Fiscal Research Division a copy of
19 the organization's annual audited financial
20 statement within 30 days of issuance of the
21 statement.
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Requested by: Representatives Mitchell, Baker, Carpenter*

MCNC

1 Section 15.17. Section 16.21 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 16.21. (a) MCNC shall report on all of its programs
4 including contractual services for the Supercomputer and the
5 Research and Education Network. The reports shall:

6 (1) By January 15, 1998, and more frequently as
7 requested, report to the Joint Legislative
8 Commission on Governmental Operations and the
9 Fiscal Research Division the following information:

- 10 a. State fiscal year 1996-97 program activities,
11 objectives, and accomplishments;
- 12 b. State fiscal year 1996-97 itemized
13 expenditures and fund sources;
- 14 c. State fiscal year 1997-98 planned activities,
15 objectives, and accomplishments including
16 actual results through December 31, 1997;
- 17 d. State fiscal year 1997-98 estimated itemized
18 expenditures and fund sources including actual
19 expenditures and fund sources through December
20 31, 1997.
- 21 e. The users, major projects and benefits
22 resulting from the activities of the
23 Supercomputer and the Research and Education
24 Network.
- 25 f. The organization's progress toward achieving
26 self-sufficiency by July 1, 1999.

27 (2) By January 15, 1999, and more frequently as
28 requested, report to the Joint Legislative
29 Commission on Governmental Operations and the
30 Fiscal Research Division the following information:

- 31 a. State fiscal year 1997-98 program activities,
32 objectives, and accomplishments;
- 33 b. State fiscal year 1997-98 itemized
34 expenditures and fund sources;
- 35 c. State fiscal year 1998-99 planned activities,
36 objectives, and accomplishments including
37 actual results through December 31, 1998;
- 38 d. State fiscal year 1998-99 estimated itemized
39 expenditures and fund sources including actual

1 expenditures and fund sources through December
2 31, 1998.

3 e. The users, major projects and benefits
4 resulting from the activities of the
5 Supercomputer and the Research and Education
6 Network.

7 f. The organization's progress toward achieving
8 self-sufficiency by July 1, 1999.

9 (3) Provide to the Fiscal Research Division a copy of
10 MCNC's annual audited financial statement within 30
11 days of issuance of the statement.

12 (b) The funds appropriated in this act to MCNC shall be used
13 as follows:

	<u>FY 1997-98</u>	<u>FY 1998-99</u>
14 Electronic and Information		
15 Technologies Programs	\$4,500,000	~~\$2,500,000~~ \$2,300,000

17 (c) Of the funds appropriated for the Electronic and
18 Information Technologies Programs, four million five hundred
19 thousand dollars (\$4,500,000) for the 1997-98 fiscal year and two
20 million ~~five~~ three hundred thousand dollars ~~(\$2,500,000)~~
21 (\$2,300,000) for the 1998-99 fiscal year is contingent upon a
22 dollar-for-dollar match in non-State funds.

23 (d) It is the intent of the General Assembly that State funds
24 shall not be appropriated for MCNC in fiscal years 1999-2000 and
25 beyond."

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Requested by: Representatives Mitchell, Baker, Carpenter, H. Hunter

RURAL ECONOMIC DEVELOPMENT CENTER

1 Sec. @. Section 16.24 of S.L. 1997-443 reads as
2 rewritten:

3 "Section 16.24. (a) Of the funds appropriated in this act to
4 the Rural Economic Development Center, Inc., the sum of one
5 million two hundred seventy thousand dollars (\$1,270,000) for the
6 1997-98 fiscal year and the sum of one million ~~two~~ four hundred
7 ~~seventy~~ fifty-seven thousand ~~three~~ hundred thirty-eight dollars
8 ~~(\$1,270,000)~~ (\$1,457,338) for the 1998-99 fiscal year shall be
9 allocated as follows:

	1997-98 FY	1998-99 FY
11 Research and Demonstration Grants	\$475,864	\$475,864
12 Technical Assistance and Center		<u>525,864</u>
13 Administration of Research		
14 and Demonstration Grants	444,136	444,136
15 Center Administration, Oversight,		
16 and Other Programs	350,000	<u>350,000</u>
17		<u>487,338</u>

18 (a) Of the funds allocated under subsection (a) of this
19 section for Research and Development Grants, the sum of thirty-
20 five thousand dollars (\$35,000) shall be allocated to the
21 Fisheries Development Foundation for mariculture activities.

22 (b) The Rural Economic Development Center, Inc., shall
23 provide a report containing detailed budget, personnel, and
24 salary information to the Office of State Budget and Management
25 in the same manner as State departments and agencies in
26 preparation for biennium budget requests.

27 (c) Not more than fifty percent (50%) of the interest
28 earned on State funds appropriated to the Rural Economic
29 Development Center, Inc., may be used by the Center for
30 administrative purposes, including salaries and fringe benefits.

31 (d) For purposes of this section, the term "community
32 development corporation" means a nonprofit corporation:

- 33 (1) Chartered pursuant to Chapter 55A of the General
34 Statutes;
- 35 (2) Tax-exempt pursuant to section 501(c)(3) of the
36 Internal Revenue Code of 1986;
- 37 (3) Whose primary mission is to develop and improve
38 low-income communities and neighborhoods through
39 economic and related development;
- 40 (4) Whose activities and decisions are initiated,
41 managed, and controlled by the constituents of
42 those local communities; and
- 43 (5) Whose primary function is to act as deal-maker and
44 packager of projects and activities that will
increase their constituencies' opportunities to

1 become owners, managers, and producers of small
2 businesses, affordable housing, and jobs designed
3 to produce positive cash flow and curb blight in
4 the targeted community.

5 (e) Of the funds appropriated in this act to the Rural
6 Economic Development Center, Inc., the sum of five million seven
7 hundred fifty thousand dollars (\$5,750,000) for the 1997-98
8 fiscal year and the sum of ~~two million four hundred ten million~~
9 ~~eight hundred seventy-five thousand dollars (\$2,400,000)~~
10 (\$10,875,000) for the 1998-99 fiscal year shall be allocated as
11 follows:

12 (1) \$1,400,000 in fiscal year 1997-98 and ~~\$1,200,000~~
13 1,475,000 in fiscal year 1998-99 for community
14 development grants to support development projects
15 and activities within the State's minority
16 communities. Any community development corporation
17 as defined in this section is eligible to apply for
18 funds. The Rural Economic Development Center,
19 Inc., shall establish performance-based criteria
20 for determining which community development
21 corporation will receive a grant and the grant
22 amount. Funding shall also be allocated to the
23 North Carolina Association of Community Development
24 Corporations, Inc. The Rural Economic Development
25 Center, Inc., shall allocate these funds as
26 follows:

27 a. \$900,000 in each fiscal year for direct grants
28 to the local community development
29 corporations that have previously received
30 State funds for this purpose to support
31 operations and project activities;
32 b. \$250,000 in each fiscal year for direct grants
33 to local community development corporations
34 that have not previously received State funds;
35 c. ~~\$200,000~~ \$275,000 in fiscal year ~~1997-98~~ 1998-
36 99 to the North Carolina Association of
37 Community Development Corporations, Inc., to
38 provide training, technical assistance,
39 resource development, and support for local
40 community development corporations statewide;
41 of these funds, the sum of \$50,000 shall be
42 used to coordinate a special project targeting
43 grassroot nonprofit organizations for economic
44 development activities in distressed areas of
45 eastern North Carolina focusing on issues of
46 infrastructure and affordable housing, and the
47 sum of \$25,000 shall be allocated to the
48 Walnut Cove Colored School, Inc. for
49 operational and program support; and
50 d. \$50,000 in each fiscal year to the Rural
51 Economic Development Center, Inc., to be used
52 to cover expenses in administering this
53 section.

- 1 (2) \$250,000 in each fiscal year to the Microenterprise
2 Loan Program to support the loan fund and
3 operations of the Program; and
4 (3) \$4,100,000 for the 1997-98 fiscal year and ~~\$950,000~~
5 \$8,950,000 for the 1998-99 fiscal year shall be
6 used for a program to provide supplemental funding
7 for matching requirements for projects and
8 activities authorized under this subdivision. The
9 Center shall use these funds to make grants to
10 local governments and nonprofit corporations to
11 provide funds necessary to match federal grants or
12 other grants for:
13 a. Necessary economic development projects and
14 activities in economically distressed areas,
15 ~~or~~
16 b. Necessary water and sewer projects and
17 activities in economically distressed
18 communities to address health or environmental
19 quality problems except that funds shall not
20 be expended for the repair or replacement of
21 low pressure pipe wastewater systems. If a
22 grant is awarded under this sub-subdivision,
23 then the grant shall be matched on a dollar
24 for dollar basis in the amount of the grant
25 ~~awarded.~~ awarded, or
26 c. Projects that demonstrate alternative waste
27 management processes for local governments.
28 Special consideration should be given to cost
29 effectiveness, efficacy, management efficacy,
30 and the ability of the demonstration project
31 to be replicated.
32 The grant recipients in this subsection shall be
33 selected on the basis of ~~need.~~ need; and
34 (4) \$200,000 in fiscal year 1998-99 to the Capacity
35 Building Grants Program. Grants shall be awarded
36 to units of local government to pay all or a
37 portion of the costs associated with the planning
38 and writing of a grant or loan application, a
39 capital improvement plan, or other efforts that
40 support growth and development of rural areas.
41 (f) The Rural Economic Development Center, Inc., shall:
42 (1) By January 15, 1998, and more frequently as
43 requested, report to the Joint Legislative
44 Commission on Governmental Operations and the
45 Fiscal Research Division the following information:
46 a. State fiscal year 1996-97 program activities,
47 objectives, and accomplishments;
48 b. State fiscal year 1996-97 itemized
49 expenditures and fund sources;
50 c. State fiscal year 1997-98 planned activities,
51 objectives, and accomplishments including
52 actual results through December 31, 1997; and

- 1 d. State fiscal year 1997-98 estimated itemized
2 expenditures and fund sources including actual
3 expenditures and fund sources through December
4 31, 1997.
- 5 (2) By January 15, 1999, and more frequently as
6 requested, report to the Joint Legislative
7 Commission on Governmental Operations and the
8 Fiscal Research Division the following information:
9 a. State fiscal year 1997-98 program activities,
10 objectives, and accomplishments;
11 b. State fiscal year 1997-98 itemized
12 expenditures and fund sources;
13 c. State fiscal year 1998-99 planned activities,
14 objectives, and accomplishments including
15 actual results through December 31, 1998; and
16 d. State fiscal year 1998-99 estimated itemized
17 expenditures and fund sources including actual
18 expenditures and fund sources through December
19 31, 1998.
- 20 (3) Provide to the Fiscal Research Division a copy of
21 each grant recipient's annual audited financial
22 statement within 30 days of issuance of the
23 statement."

Requested by: Representatives Mitchell, Baker, Carpenter, Dixon

EXTEND UNIVERSAL SERVICE RULES DEADLINE

1 Sec. @. (a) G.S. 62-110(f1) reads as rewritten:
2 "(f1) Except as provided in subsection (f2) of this section,
3 the Commission is authorized, following notice and an opportunity
4 for interested parties to be heard, to issue a certificate to any
5 person applying to provide local exchange or exchange access
6 services as a public utility as defined in G.S. 62-3(23)a.6.,
7 without regard to whether local telephone service is already
8 being provided in the territory for which the certificate is
9 sought, provided that the person seeking to provide the service
10 makes a satisfactory showing to the Commission that (i) the
11 person is fit, capable, and financially able to render such
12 service; (ii) the service to be provided will reasonably meet the
13 service standards that the Commission may adopt; (iii) the
14 provision of the service will not adversely impact the
15 availability of reasonably affordable local exchange service;
16 (iv) the person, to the extent it may be required to do so by the
17 Commission, will participate in the support of universally
18 available telephone service at affordable rates; and (v) the
19 provision of the service does not otherwise adversely impact the
20 public interest. In its application for certification, the person
21 seeking to provide the service shall set forth with particularity
22 the proposed geographic territory to be served and the types of
23 local exchange and exchange access services to be provided.
24 Except as provided in G.S. 62-133.5(f), any person receiving a
25 certificate under this section shall, until otherwise determined
26 by the Commission, file and maintain with the Commission a
27 complete list of the local exchange and exchange access services
28 to be provided and the prices charged for those services, and
29 shall be subject to such reporting requirements as the Commission
30 may require.
31 Any certificate issued by the Commission pursuant to this
32 subsection shall not permit the provision of local exchange or
33 exchange access service until July 1, 1996, unless the Commission
34 shall have approved a price regulation plan pursuant to G.S. 62-
35 133.5(a) for a local exchange company with an effective date
36 prior to July 1, 1996. In the event a price regulation plan
37 becomes effective prior to July 1, 1996, the Commission is
38 authorized to permit the provision of local exchange or exchange

1 access service by a competing local provider in the franchised
2 area of such local exchange company.

3 The Commission is authorized to adopt rules it finds necessary
4 (i) to provide for the reasonable interconnection of facilities
5 between all providers of telecommunications services; (ii) to
6 determine when necessary the rates for such interconnection;
7 (iii) to provide for the reasonable unbundling of essential
8 facilities where technically and economically feasible; (iv) to
9 provide for the transfer of telephone numbers between providers
10 in a manner that is technically and economically reasonable; (v)
11 to provide for the continued development and encouragement of
12 universally available telephone service at reasonably affordable
13 rates; and (vi) to carry out the provisions of this subsection in
14 a manner consistent with the public interest, which will include
15 a consideration of whether and to what extent resale should be
16 permitted.

17 Local exchange companies and competing local providers shall
18 negotiate the rates for local interconnection. In the event that
19 the parties are unable to agree within 90 days of a bona fide
20 request for interconnection on appropriate rates for
21 interconnection, either party may petition the Commission for
22 determination of the appropriate rates for interconnection. The
23 Commission shall determine the appropriate rates for
24 interconnection within 180 days from the filing of the petition.

25 Each local exchange company shall be the universal service
26 provider in the area in which it is certificated to operate on
27 July 1, 1995, until otherwise determined by the Commission. In
28 continuing this State's commitment to universal service, the
29 Commission shall, by December 31, 1996, adopt interim rules that
30 designate the person that should be the universal service
31 provider and to determine whether universal service should be
32 funded through interconnection rates or through some other
33 funding mechanism. By ~~July 1, 1998~~, July 1, 1999, the Commission
34 shall complete an investigation and adopt final rules concerning
35 the provision of universal services, the person that should be
36 the universal service provider, and whether universal service
37 should be funded through interconnection rates or through some
38 other funding mechanism.

39 The Commission shall make the determination required pursuant
40 to this subsection in a manner that furthers this State's policy
41 favoring universally available telephone service at reasonable
42 rates."

43 (b) This section becomes effective July 1, 1998.

44

CODE NO. 98ENV-H007-S

FISHERY MANAGEMENT PLANS/REGIONAL ADVISORY COMMITTEE

Section 14.3. G.S. 113-182.1(c) reads as rewritten:

“(c) The Chair of the Marine Fisheries Commission shall appoint a fishery management plan advisory committee for each Fishery Management Plan that is being developed. Each fishery management plan advisory committee shall be composed of commercial fisherman, recreational fishermen, and scientists, all with expertise in the fishery for which the Fishery Management Plan is being developed. The fishery management plan advisory committees ~~along with the regional advisory committees, established under G.S. 143B-289.57,~~ shall assist the Department and the Marine Fisheries Commission in the development of all aspects of the Fishery Management Plans, including the development of conservation management measures. The Department shall keep the regional advisory committees established under G.S. 143B-289.57 advised as the Fishery Management Plans are developed, and consider the comments by the committees on the Fishery Management Plans.

ATT # 4
Thursday, July 16, 1998

House Subcommittee on Natural and Economic Resources

Housing Finance Agency

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$2,300,000

Budget Changes

Housing Trust Fund

1 Housing Trust Fund

Funds to support affordable housing for the elderly.

\$2,000,000 NR

Budget Changes

\$2,000,000 NR

Total Position Changes

Revised Total Budget

\$4,300,000

Recurring

NonRecurring

Reductions

Increases

2,000,000

Agriculture and Consumer Services**GENERAL FUND****FY 98-99****Total Budget Approved 1997 Session****\$49,822,632****Budget Changes****Administrative Services****2 Automated Information and Technical Support**

\$151,522 R

Funds for hardware, software, and support to provide information and access through Electronic Commerce and incorporating these efforts with other state departments.

\$155,106 NR
3.00

Agronomic Services**3 Animal Waste, Soil and Plant Testing**

\$271,668 R

Funds to conduct periodic testing of waste, soil and plant samples from animal land application sites.

\$144,600 NR
4.00

Commissioner's Office**4 Local Agricultural Fairs Grant Funds**

Funds for local agricultural fairs.

\$150,000 NR

5 Small, Family Dairy Farm Grants

Provides grant funds to dairy farms for the purchase of equipment that is a component of an animal waste management system. Equipment shall be used solely for the purpose of transporting, storing, or distributing animal waste.

\$1,500,000 NR

6 Small, Family Farms - Marketing and Promotion

Funds to provide marketing and promotional assistance to small, family farms.

\$50,000 NR

Department Wide**7 Receipt Adjustments**

(\$210,600) R

Adjust receipts in various operating funds within the department and reduce General Fund appropriations by an equal amount in the following divisions:

Markets	(\$8,500)
Research Stations & State Farms	(\$100,000)
Agronomic Services	(\$ 28,000)
Food and Drug Protection	(\$ 12,500)
Structural Pest	(\$ 23,600)
Veterinary Services	(\$ 6,000)
Standards (Weights and Measures)	(\$ 5,000)
Plant Industry	(\$ 27,000)
	=====
TOTAL REDUCTIONS	(\$210,600)

House Subcommittee on Natural and Economic Resources

Food and Drug Protection

8 Pesticide/Food Lab Funds

Funds for expansion of the pesticide and food laboratories.

\$442,095 R
\$290,000 NR
10.00

Markets

9 Local Farmers' Markets Funds

Funds to provide grants to local farmers' markets to promote products grown on small, family-owned farms.

\$200,000 NR

10 Goodness Grows in North Carolina

Funds to expand the Goodness Grows in North Carolina advertising program.

\$200,000 NR

Rural Rehabilitation Corporation

11 Small, Family-Owned Farms Loan Program

Provides loan funds to small, family-owned farms having difficulty in obtaining affordable conventional loans from other sources.

\$1,500,000 NR

Structural Pest

12 Structural Pest Control Program Improvements

Funds to expand compliance monitoring, establish compliance assistance programs, develop a consumer outreach program, and to develop regulatory responses to new pest control products and techniques.

\$262,650 R
\$80,350 NR
7.00

Veterinary Services

13 Pseudorabies Eradication Funds

Funds to purchase laboratory supplies for increased testing of swine for pseudorabies.

\$150,000 NR

Budget Changes

\$917,335 R

\$4,420,056 NR

Total Position Changes

24.00

Revised Total Budget

\$55,160,023

	Recurring	NonRecurring
Reductions	-210,600	
Increases	1,127,935	4,420,056

Labor

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$15,828,463

Budget Changes

Administrative Services

14 Purchase Furniture/Library Shelving

Provides \$190,000 in nonrecurring funds to purchase office furniture and library shelving. Purchased equipment is to be used subsequent to the relocation of selected departmental divisions to the renovated Old Revenue Building.

\$190,000 NR

15 Funds for Information Highway Site

Funds the department's cost share with other state agencies to establish an information highway site in the Old Revenue Building.

\$30,000 NR

Budget Changes

\$220,000 NR

Total Position Changes

Revised Total Budget

\$16,048,463

Recurring

NonRecurring

Reductions

Increases

220,000

Environment and Natural Resources

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$134,915,353

Budget Changes

(1.00) Controller's Office

16 Reduce Salary Reserve	(\$5,053)	R
Reduce salary reserve as a result of reallocation of positions.		

(1.00) Executive Offices

17 Eliminate Vacant Position	(\$82,134)	R
Eliminate Business Officer III position serving as Special Assistant to the Secretary that is no longer utilized as a result of reassignment of duties.		
	-1.00	

18 Eliminate Assistant Secretary and Staff Positions	(\$204,726)	R
Eliminate the Assistant Secretary for Administration position, as well as the Special Assistant and Administrative Assistant positions reporting to the Assistant Secretary for Administration to streamline executive management staff.		
	-3.00	

(1.00) General Services

19 Reduce Salary Reserve	(\$10,000)	R
Reduce salary reserve in a position recently vacated by retirement.		

(1.00) Regional Offices

20 Reduce Operating Funds	(\$31,416)	R
Reduce funds that previously supported the Department of Commerce when they were co-located in DENR's Washington Regional Office (Commerce activities have since moved to Greenville).		

(2.00) Forest Resources

21 Improve Efficiency and Computer Technology	(\$311,034)	R
Reduce telephone line charges, the need for aerial photography and temporary services through increased use of computer technology. Also decrease use of overtime and modify fire readiness stand-by schedules.		

22 Insurance for CL-215

Provides nonrecurring funds for the purchase of hull insurance for the CL-215 aircraft (amphibious water scooping tanker).	\$116,000	NR

House Subcommittee on Natural and Economic Resources

23 District 12 Helicopter Funds

\$167,860 R

Funds for the operation and maintenance of a fire control helicopter in District 12.

2.00

24 Water Quality Foresters

\$344,286 R

Funds to hire water quality foresters to inspect active logging sites to prevent and control degradation of water quality by forestry operations.

\$71,200 NR

7.00

(2.00) Marine Fisheries

25 Reduce Operating Support

(\$130,000) R

Reduce funds for purchased services, supplies, equipment and other operating expenses.

26 License Administration Funds

\$246,088 R

Funds for additional license personnel to staff district offices and to administer the Recreational Commercial Gear License program. Positions are effective January 1, 1999.

6.00

27 Fisheries Management Plans

\$540,158 R

Funds to develop state Fisheries Management Plans (FMPs) to guide coastal fisheries management and to ensure the long-term viability of the stocks. Plans are to be developed for 31 commercially and recreationally significant species and species groups.

\$142,500 NR

10.00

28 Coastal Habitat Protection Plans

\$160,170 R

Funds to conduct research on the relationship of coastal habitats, water quality and fisheries production for the development of Coastal Fisheries Habitat Protection Plans. The plans are to be used to develop strategies for protecting coastal fisheries habitat areas.

\$15,300 NR

3.00

29 Information Technology Funds

Funds to continue consolidation and modernization of existing computerized information management systems to facilitate access to licensing, permitting, commercial landings, biological and habitat data.

\$1,000,000 NR

(2.00) Museum of Natural Sciences

30 Reduce Supplies

(\$39,513) R

Reduce funds for supplies due to new bulk purchasing procedures.

31 Grassroots Science Museum

\$35,000 R

Provides additional recurring funds for the Western North Carolina Nature Center.

(2.00) North Carolina Zoological Park

32 Adjust Equipment/Vehicle Replacement Schedule

(\$133,079) R

Adjust the schedule for replacement of equipment and motor vehicles at the Zoo and reduce General Fund appropriation by an equal amount.

House Subcommittee on Natural and Economic Resources

(2.00) Office of Environmental Education

33 Environmental Education Grant Funds

Funds to provide grants to public schools K-12, public libraries and environmental education centers to purchase environmental education materials and to support school group field trips to environmental education centers.

\$200,000 NR

(2.00) Parks and Recreation

34 Increase Receipts

Increase receipts to reflect fee increase at state parks and recreation areas and reduce General Fund appropriation by an equal amount.

(\$100,000) R

35 Expand Natural Heritage Program

Funds to inventory natural areas in counties that have not been surveyed under the Natural Heritage program.

\$250,000 NR

36 Parks Biologists

Funds for four district biologists to advise and train park staff on natural resource management issues.

\$208,100 R
\$37,000 NR
4.00

(2.00) Soil and Water Conservation

37 Technical Assistance for Animal Waste Compliance

Reduce funding for technical assistance to agriculture operations seeking to obtain approved animal waste management plans. The state's 0.200 non-discharge regulations required operations to have certified plans by December 1997. This eliminates 5.50 of 11.00 positions created by the General Assembly for this purpose in the 1994 and 1995 Sessions.

(\$185,445) R
-5.50

38 Agriculture Cost Share Program

Additional funds for the Agriculture Cost Share Program for Nonpoint Source Pollution Control to reimburse farmers up to 75% of the costs of installing best management practices (BMPs) to improve and protect water quality.

\$500,000 NR

39 Agriculture Cost Share Program Database Funds

Funds to provide computer programming and maintenance support to upgrade the existing database program used to track BMP contracts under the Agriculture Cost Share Program.

\$36,000 R
\$25,000 NR

40 Agriculture Cost Share County Technical Assistance

Additional funds to reimburse counties up to 50% of the costs of providing technical assistance in the planning, design and installation of agricultural best management practices (BMPs) to improve water quality.

\$200,000 NR

House Subcommittee on Natural and Economic Resources

41 Neuse and Tar-Pam River Basin Assistance

Funds to assist local Soil and Water Conservation Districts in the Neuse and Tar-Pamlico River Basins in targeting and tracking nutrient reduction efforts of agriculture operations, as well as evaluating the cost effectiveness of best management practices.

\$150,000 NR

42 Soil and Water District Travel Funds

Funds for local Soil and Water Conservation Districts for travel and per diem expenses of district supervisors.

\$50,000 NR

43 Junaluska Creek Damage Funds

Funds to assist landowners on Junaluska Creek who have suffered property damage from the implementation of the federal emergency watershed program.

\$7,500 NR

(3.00) Air Quality

44 Reduce Operating Support

Reduce funds for purchased services, supplies, equipment and other operating expenses.

(\$14,892) R

(3.00) Coastal Management

45 Reduce Operating Support

Reduce travel, supplies, equipment, printing, and postage expenses through use of automation and a reduction in conference attendance.

(\$30,004) R

(3.00) Environmental Health

46 Reduce Staff and Operating Support

Reduce funds for an Environmental Technician III position in the Wilmington Regional Office as a result of increased federal support, extend equipment replacement schedules, and eliminate funds for a completed wastewater treatment study in Craven County.

(\$72,210) R

-0.50

47 Food Sanitation Training Funds

Funds to improve consistency of implementation and enforcement of food sanitation rules by providing training and continuing education to persons who conduct food and lodging inspections for county health departments.

\$100,000 NR

(3.00) Land Resources

48 Reduce Operating Support

Reduce inventories, supplies, travel and postage expenses, and extend the replacement schedule on equipment.

(\$42,861) R

49 Sedimentation and Erosion Control Expansion

Funds for additional field staff to perform erosion and sediment control inspections at commercial and residential development sites to determine compliance with required management practices to minimize the impact of land disturbing activities on water quality.

\$282,140 R

\$20,000 NR

5.00

House Subcommittee on Natural and Economic Resources

(3.00) Pollution Prevention/Environmental Assistance

50 Reduce Pollution Prevention Grants

(\$24,362) R

Reduce funds to provide demonstration grants to business and industry operations developing innovative pollution technologies.

(3.00) Waste Management

51 Eliminate Computer Consultant Position

(\$45,095) R

Eliminate Computing Consultant II position and contract programming duties as needed using federal funds.

-1.00

(3.00) Water Resources

52 Oregon Inlet Sand Study

Funds for the Shoreline Monitoring Program operated by the U.S. Army Corps of Engineers for the Oregon Inlet and adjacent areas.

\$100,000 NR

53 Real Time Stream-Gauge Data

\$10,000 R

Funds to upgrade the state's stream-gauge network to real time data access.

\$170,000 NR

(4.00) Reserves and Special Funds

54 Isotope Study of Neuse and Cape Fear River Basins

Funds for the UNC Board of Governors for the Agricultural Research Service to continue an isotope study to identify sources of nitrogen in the Neuse and Cape Fear River Basins.

\$321,000 NR

55 Study Alternative Animal Waste Technologies

Funds for the UNC Board of Governors for the Animal and Poultry Waste Management Center at NCSU to study alternative methods of managing animal waste.

\$375,000 NR

56 LLRW Facility Siting Assistance Funds

Grant-in-aid to Chatham County for expenses incurred as part of their participation in the licensing and siting of a low level radioactive waste facility.

\$100,000 NR

(5.00) Department Wide

57 Reduce Funding Support - LLRW

(\$1,123,219) R

Reduce funding for personnel, contractual services and operating expenses associated with the department's regulatory responsibilities in the siting and licensing of a low level radioactive waste facility. This reduction allows the department to maintain at least six positions dedicated to the LLRW project in the event siting and licensing activities resume.

-10.00

House Subcommittee on Natural and Economic Resources

(6.00) Wildlife Resources Commission

58 Beaver Control Program

Continues Beaver Control program with nonrecurring funds and expands coverage statewide to any county that wishes to participate.

\$500,000 NR

Budget Changes

(\$555,241) R

\$4,450,500 NR

Total Position Changes

16.00

Revised Total Budget

\$138,810,612

	Recurring	NonRecurring
Reductions	-2,585,043	
Increases	2,029,802	4,450,500

Commerce

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$38,577,339

Budget Changes

Business and Industry

59 Industrial Recruitment Competitive Fund

Provides nonrecurring support for the Industrial Recruitment Competitive Fund.

\$1,000,000 NR

60 Marketing and Trade Missions

Provides a nonrecurring increase to fund participation at additional industry trade shows and missions, and for increased general advertising media purchases for promoting economic development in the state.

\$500,000 NR

Community Assistance

61 State Development Zones

Funds for local governments for projects in certified development zones to attract businesses and job-creating investment to center city areas.

\$1,000,000 NR

62 Historic Waterfront Revitalization

Funds to provide planning grants to local units of government for historic waterfront revitalization projects in counties assigned to the Northeastern North Carolina Regional Economic Development Commission established in G.S. 158-8.2.

\$400,000 NR

Industrial Commission

63 Abolish Position/Reduce Various Operating Support

Abolishes Processing Assistant IV position (\$24,411) and reduces various operating support line-items in the continuation budget (\$68,911).

(\$93,322) R

-1.00

64 Temporary Positions

Provides nonrecurring funds to support temporary positions in the Office of Executive Secretary to manage increased workload for mediation settlements in workers' compensation cases and processing legal orders for contested cases.

\$100,000 NR

Industrial Finance Center

65 Utility Account (Industrial Development Fund)

Provides nonrecurring funding for economic development grants for water and sewer infrastructure in certain economically distressed counties designated in G.S. 143B-437.01.

\$1,000,000 NR

House Subcommittee on Natural and Economic Resources

N.C. Alliance for Competitive Technologies

66 Reduce Program Director's Budgeted Salary

(\$24,356) R

Reduces the budgeted salary of the Program Director for the N.C. Alliance for Competitive Technologies by \$24,356; the revised salary for the position will be \$108,668.

N.C. Government Competition Commission

67 Competitive Government Initiative

\$218,000 R

Provides funding to establish the North Carolina Government Competition Commission for purposes of implementing the Competitive Government Initiative.

\$14,700 NR
3.00

Reserves and Transfers

68 Special Olympics

Provides nonrecurring funds to the 1999 Special Olympics World Games for general operating and marketing costs.

\$3,000,000 NR

State Boxing Commission

69 Transfer Boxing Commission to the Department

\$202,770 R

Transfer positions, operating support, equipment, property, and other assets of the North Carolina State Boxing Commission from the Department of Secretary of State to the Department of Commerce. The transfer has all of the elements of a Type 1 transfer as defined by G.S. 143A-6.

3.00

	FY 1998-99
Requirements	\$225,870
Receipts	(\$23,100)
Appropriations	\$202,770

Travel, Film and Sports Development

70 Reduce Printing

(\$100,000) R

Reduce printing budget to reflect privatization of the North Carolina Travel Guide.

71 General Advertising/Marketing Funds

Funds to expand advertising and marketing campaigns designed to promote North Carolina as a travel destination in domestic markets.

\$800,000 NR

72 International Marketing Efforts

Funds to advertise and promote North Carolina as a travel destination in two international markets, specifically England and Germany.

\$800,000 NR

House Subcommittee on Natural and Economic Resources

73 U.S. Open Men's Golf Tournament

Funds to host travel writers, tour operators, film, sports and other industry executives during the 1999 U.S. Open and to conduct tours of selected sites across N.C. to familiarize them with the state's tourism, film and sports opportunities.

\$800,000 NR

74 Rural Tourism Development Grant Funds

Funds for the Rural Tourism Development Grant Program to encourage the development of new tourism projects and activities in the rural areas of the state.

\$100,000 NR

75 Film Office

Funds to hire a Director of Sales and Marketing to develop a full-time presence in California in an effort to recruit film production to N.C. and funds for the state's four film commissions for coordinated advertising and promotion efforts with the state film office.

\$64,803 R
\$200,000 NR
1.00

Budget Changes

\$267,895 R

\$9,714,700 NR

Total Position Changes

6.00

Revised Total Budget

\$48,559,934

	Recurring	NonRecurring
Reductions	-217,678	
Increases	485,573	9,714,700

State Aid to Non-State Entities

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$2,000,000

Budget Changes

Grants-in-Aid

76 Technological Development Authority

Grant-in-aid to the N.C. Technological Development Authority, Inc. for entrepreneurial support and infrastructure including creating new incubators, enhancing existing incubators, developing capital formation initiatives, supporting technology transfer and matching federal grant and loan funds.

\$3,500,000 NR

77 World Trade Center North Carolina

Provides funds to the World Trade Center North Carolina to support international trade education programs to small and medium sized businesses.

\$200,000 NR

78 Textile Museum

Grant-in-aid to the Town of Erwin for a textile museum.

\$100,000 NR

79 Mountain Care Trak System Pilot Program Funds

Funds to implement the Care Trak System in Davidson, Davie, Forsyth, Guilford, Iredell, Randolph, Rockingham, Stokes, Surry, Wilkes and Yadkin counties.

\$141,400 NR

80 4-H Clubs/Eastern North Carolina Livestock Arena

Provides funds for the construction of a facility to replace the Eastern North Carolina Livestock Arena. This facility will be available for horse and swine breeding stock auctions, cattle sales, and functions associated with the Future Farmers of America and 4-H Clubs.

\$600,000 NR

81 Land Loss Prevention Project

Funds to provide free legal representation to low-income, financially distressed farmers.

\$350,000 NR

82 Institute of Minority Economic Development

Funds to foster economic development within the state through policy analysis, information and technical assistance, resource expansion, and support of community-based initiatives.

\$1,000,000 NR

83 North Carolina Minority Support Center

Funds to provide technical assistance to community-based minority credit unions.

\$375,000 NR

House Subcommittee on Natural and Economic Resources

84 Yadkin/Pee Dee Lakes Project

Grant-in-aid to support the Yadkin/Pee Dee Lakes Project's efforts to promote tourism and economic development.

\$150,000 NR

Budget Changes

\$6,416,400 NR

Total Position Changes

Revised Total Budget

\$8,416,400

	Recurring	NonRecurring
Reductions		
Increases		6,416,400

MCNC**GENERAL FUND****FY 98-99****Total Budget Approved 1997 Session****\$2,500,000****Budget Changes****MCNC****85 Reallocate Final Year Funding**

(\$2,500,000) R

Final year funding for MCNC is reduced by \$200,000 and the remaining support is shifted from recurring to nonrecurring support.

\$2,300,000 NR

Budget Changes

(\$2,500,000) R

\$2,300,000 NR

Total Position Changes**Revised Total Budget****\$2,300,000**

	Recurring	NonRecurring
Reductions	-2,500,000	
Increases		2,300,000

N.C. Biotechnology Center

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$7,664,396

Budget Changes

N.C. Biotechnology Center

86 Reduce Operating Support

(\$25,483) R

Reduces state funded operating support to the
N.C. Biotechnology Center by \$25,483.

Budget Changes

(\$25,483) R

Total Position Changes

Revised Total Budget

\$7,638,913

Recurring

NonRecurring

Reductions

-25,483

Increases

Rural Economic Development Center

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$3,920,000

Budget Changes

Administration

87 Reduce Operating Support

(\$12,662) R

Reduces state funded operating support to the Rural Economic Development Center by \$12,662. This reflects a 1.5% reduction from the Center's administrative budget excluding grants.

88 Center Administration

\$150,000 R

Provides funds for additional general administrative support.

Grants Programs

89 Research and Demonstration Grants

\$50,000 NR

Provides nonrecurring funds for the Research and Demonstration Grants Program to support innovative projects that address economic development issues in rural areas.

90 Supplemental Funding Program

\$8,000,000 NR

Provides nonrecurring funds to support the Supplemental Funding Program for economic development projects, principally water and sewer, in rural communities.

91 Capacity Grants Program

\$200,000 NR

Provides nonrecurring support for the Capacity Grants Program. REDC will provide these grants for units of local government to assist in financing costs associated with the planning and writing of grants/loan applications that support economic development in rural communities.

N.C. Association of CDCs

92 N.C. Association of CDCs

\$275,000 NR

Provides nonrecurring funds to the N.C. Association of Community Development Corporations to provide training and technical assistance to community development corporations statewide. Funds also support grassroot economic development initiatives in distressed areas of eastern N.C. and operational and program support for the Walnut Cove Colored School, Inc.

Budget Changes	\$137,338	R
	\$8,525,000	NR
Total Position Changes		
Revised Total Budget	\$12,582,338	

	Recurring	NonRecurring
Reductions	-12,662	
Increases	150,000	8,525,000

State Information Processing Services

GENERAL FUND

FY 98-99

Total Budget Approved 1997 Session

\$271,530

Budget Changes

State Information Processing Services

93 Shift General Fund Positions to Receipt Support

(\$271,530) R

Budget action shifts four positions designated for school technology assistance to receipt support.

-4.00

(1) Application Analyst Program Specialist II

(1) Office Assistant IV

(2) Computer Consultant IV

94 Continue and Expand N.C. Information Highway

\$6,143,160 NR

Provides nonrecurring funding for the following: 1) to purchase new equipment for certain existing information highway sites to utilize new technology that enables users to realize reduced monthly operating costs; and 2) to expand the number of sites receiving grants that subsidize monthly telecom charges incurred in accessing the information highway.

Total Requirements \$10,140,689

Receipts (3,997,529)

Appropriation \$ 6,143,160

Budget Changes

(\$271,530) R

\$6,143,160 NR

Total Position Changes

-4.00

Revised Total Budget

\$6,143,160

	Recurring	NonRecurring
Reductions	-271,530	
Increases		6,143,160

G.S. 87-88(k) is amended by adding a new subsection to read:

- "(3) Other Use: Except as provided in subsections (1) and (2) of this section, any potable water supply well that is removed from use as a potable water supply source may be used for other purposes, including but not limited to irrigation, commercial or industrial use, without abandonment of the well.

CODE NO. 98ENV-H022.01

Requested by: Representative McComas

STUDY FEASIBILITY OF RELOCATING CHANNEL OF MASON'S INLET

1 Section ②. The Division of Coastal Management and the
2 Division of Water Resources of the Department of Environment and
3 Natural Resources jointly shall study the feasibility of
4 relocating the channel of Mason's Inlet to an alignment that is
5 protective of the north end of the town of Wrightsville Beach
6 against the forces of erosion threatening property located at or
7 adjacent to the inlet and that does not create a threat to the
8 houses located on the south end of Figure Eight Island. The
9 study shall identify the time within which the relocation must be
10 achieved to bring meaningful relief to the threatened property
11 and what permit requirements apply and shall establish a time
12 schedule for any recommended relocation. The study shall include
13 local participation in the inlet channel relocation project and
14 acquisition of property. The study shall presume that no State
15 funds will be available for the inlet channel relocation project.
16 By October 15, 1998, the Department shall complete a final report
17 of this study, including its findings and recommendations, and
18 shall present this report at the next meeting of the Joint
19 Legislative Commission on Governmental Operations.

Minutes

House Appropriations Sub-Committee on

Natural and Economic Resources

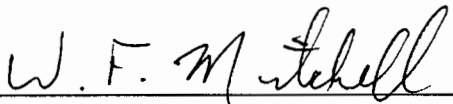
October 13, 1998 - 3:45 p.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met on Tuesday, October 13, 1998 at 3:45 p.m. in Room 612 of the Legislative Office Building. Representative Frank Mitchell, Co-Chair, called the meeting to order at 3:45 p.m. Members present were Representatives Mitchell, Baker, Owens, Culp, Hunter and Tolson.

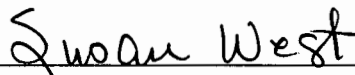
After introductions, Representative Mitchell explained House rules require all bills must be reported out of committee by adjournment of the 1997-98 Session. There are eleven bills pending that require committee action (see Attachment A for bill listing). Representative Baker made a motion that the bills be reported to the standing Committee on Appropriations with the recommended action that they be postponed indefinitely. By voice vote, the motion carried.

The meeting adjourned at 3:47 p.m.

Respectfully submitted,



Frank Mitchell
Co-Chair



Susan West
Clerk

House Appropriations Sub-Committee on Natural and Economic Resources

October 13, 1998

Sub-Committee Action on Remaining Bills

Bill Number	Short Title
HB 352	Hydrilla Eradication Funds
HB 489	Mountain State Fair Funds/AB
HB 639	Agricultural Loan Funds
HB 641	Affordable Housing Assistance Funds
HB 1103	Lake Norman/Wildlife Officer Funds
HB 1179	Economic Development Funds
HB 1250	Expand Marine Fisheries Commission
HB 1390	Funds for Low-Income Housing
HB 1531	Home/Community Partnership Funds
HB 1681	Information Technology Trust Fund
HB 1721	Lake Gaston State Park Study

VISITOR REGISTRATION SHEET

APPROPRIATIONS/Natural and Economic Resources

October 13, 1998

Name of Committee

Date _____

VISITORS: PLEASE SIGN BELOW AND RETURN TO COMMITTEE CLERK

NAME

FIRM OR AGENCY AND ADDRESS[illegible]

**1998 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Mitchell, Baker, Carpenter for the Permanent Subcommittee on Natural and Economic Resources of the Standing Committee on APPROPRIATIONS.

HB 352	HYDRILLA ERADICATION FUNDS
HB 489	MOUNTAIN STATE FAIR FUNDS/AB
HB 639	AGRICULTURAL LOAN FUNDS
HB 641	AFFORDABLE HOUSING ASSISTANCE FUNDS
HB 1103	LAKE NORMAN/WILDLIFE OFFICER FUNDS
HB 1179	ECONOMIC DEVELOPMENT FUNDS
HB 1250	EXPAND MARINE FISHERIES COMMISSION
HB 1390	FUNDS FOR LOW-INCOME HOUSING
HB 1531	HOME/COMMUNITY PARTNERSHIP FUNDS
HB 1681	INFORMATION TECHNOLOGY TRUST FUND
HB 1721	LAKE GASTON STATE PARK STUDY

REPORTED TO THE STANDING COMMITTEE ON APPROPRIATIONS

RECOMMENDED ACTION:

☒ Other recommended action: Postponed Indefinitely.

3/25/98

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 352

Short Title: Hydrilla Eradication Funds.

(Public)

Sponsors: Representatives Wilkins, Crawford, Hardaway; and H. Hunter.

Referred to: Appropriations.

February 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO ERADICATE HYDRILLA IN LAKE
3 GASTON.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to the
6 Department of Environment, Health, and Natural Resources, Division of Water
7 Resources, the sum of one hundred thousand dollars (\$100,000) for the 1997-98 fiscal
8 year and the sum of one hundred thousand dollars (\$100,000) for the 1998-99 fiscal
9 year to eradicate hydrilla in Lake Gaston.

10 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 489

Short Title: Mountain State Fair Funds/AB.

(Public)

Sponsors: Representatives Sherrill and Ives.

Referred to: Appropriations.

March 10, 1997

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS FOR THE MOUNTAIN STATE FAIR.

3 The General Assembly of North Carolina enacts:

4 Section 1. There is appropriated from the General Fund to the
5 Department of Agriculture the sum of four hundred fifty-eight thousand three
6 hundred ten dollars (\$458,310) for the 1997-98 fiscal year and the sum of three
7 hundred eighty-two thousand seven hundred forty-eight dollars (\$382,748) for the
8 1998-99 fiscal year for the expansion of the Mountain State Fair at the Western North
9 Carolina Agricultural Center in Arden, North Carolina, and for the support of other
10 events and facilities operated by the Department at the Mountain State Fair.

11 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 639

Short Title: Agricultural Loan Funds.

(Public)

Sponsors: Representatives Watson; Buchanan, Culp, Davis, Earle, Fox, Gardner, Hall, Hardy, Hill, McCombs, Morris, Owens, Preston, Saunders, Sherrill, Tolson, Wainwright, Wilkins, G. Wilson, and Yongue.

Referred to: Appropriations.

March 27, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE NORTH CAROLINA
3 AGRICULTURAL FINANCE AUTHORITY FOR THE RESERVE FOR FARM
4 LOANS.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the North
7 Carolina Agricultural Finance Authority the sum of three million dollars (\$3,000,000)
8 for the 1997-98 fiscal year for the Reserve for Farm Loans to be used to provide
9 agricultural loans, as defined in G.S. 122D-3, pursuant to Chapter 122D of the
10 General Statutes.

11 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 641

Short Title: Affordable Housing Assistance Funds.

(Public)

Sponsors: Representatives Cansler; Alexander, Davis, Fox, Insko, Morris, Mosley, Russell, and Sherrill.

Referred to: Appropriations.

March 27, 1997

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO INCREASE AND SUSTAIN THE
3 CAPACITY OF NONPROFIT HOUSING DEVELOPERS TO PRODUCE
4 AFFORDABLE HOUSING.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the North
7 Carolina Housing Finance Agency the sum of two million five hundred thousand
8 dollars (\$2,500,000) for the 1997-98 fiscal year to be allocated to community-based
9 nonprofit low-income housing development and technical assistance organizations.
10 These funds shall be used to support the development of housing affordable to
11 persons of low income, for direct grants to new and existing housing development
12 and technical assistance organizations to support operations and project activities, and
13 for administrative and other operational purposes that expand the capacity of these
14 organizations to provide affordable housing and associated comprehensive services
15 and programs.

16 Section 2. The North Carolina Housing Finance Agency shall establish
17 rules governing the eligibility of applicants, application procedures, eligibility
18 requirements, criteria and standards for awarding grants and performance standards
19 for continued funding, and shall make available to the general public and interested
20 parties adequate opportunity for input into the rule-making process.

21 Section 3. The North Carolina Housing Finance Agency shall report
22 every six months to the Joint Legislative Commission on Governmental Operations

1 on the use of these funds allocated pursuant to this act. The Agency shall not use
2 these funds for its own administrative purposes.

3 Section 4. For purposes of this act, the term "community-based nonprofit
4 low-income housing development and technical assistance organization" means a
5 nonprofit corporation chartered pursuant to section 501(c)(3) of the Internal Revenue
6 Code, which has as a major purpose the development and improvement of housing
7 that is affordable to persons of low income; serves the community in which it is
8 located; is neither controlled by, nor under the direction of, individuals or entities
9 seeking to derive profit or gain from the organization; and maintains accountability to
10 low-income community residents through board membership or other formal
11 processes for input into the organization's housing decision-making process. For
12 purposes of this act, the term "low-income" refers to persons and families whose
13 incomes do not exceed eighty percent (80%) of the area median family income, with
14 adjustments for family size, according to the latest figures available for the United
15 States Department of Housing and Urban Development.

16 Section 5. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1103

Short Title: Lake Norman/Wildlife Officer Funds.

(Public)

Sponsors: Representative Brawley.

Referred to: Appropriations.

April 21, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO ESTABLISH THREE WILDLIFE
3 ENFORCEMENT OFFICERS AT LAKE NORMAN.

4 The General Assembly of North Carolina enacts:

5 Section 1. There is appropriated from the General Fund to the Wildlife
6 Resources Commission the sum of two hundred fifteen thousand three hundred
7 ninety-one dollars (\$215,391) for the 1997-98 fiscal year and the sum of one hundred
8 fifteen thousand five hundred eighty-four thousand dollars (\$115,584) to establish
9 three Wildlife Enforcement Officer positions to be permanently assigned to patrol the
10 Lake Norman area.

11 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1179

Short Title: Economic Development Funds.

(Public)

Sponsors: Representative H. Hunter.

Referred to: Appropriations.

April 29, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO THE LAND LOSS PREVENTION
3 PROJECT, INC., TO PROVIDE LEGAL ASSISTANCE TO FINANCIALLY
4 DISTRESSED FAMILY FARMERS.
5 The General Assembly of North Carolina enacts:
6 Section 1. There is appropriated from the General Fund to the
7 Department of Commerce, the sum of four hundred thousand dollars (\$400,000) for
8 the 1997-97 fiscal year and the sum of four hundred thousand dollars (\$400,00) for
9 the 1998-99 fiscal year to be allocated to the Land Loss Prevention Project, Inc., to
10 provide free legal assistance to financially distressed family farmers. The Land Loss
11 Prevention Project, Inc., shall not use these funds to represent farmers who have
12 income and assets that would make them financially ineligible for legal services
13 pursuant to Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss
14 Prevention Project, Inc., shall report to the Joint Legislative Commission on
15 Governmental Operations on October 1 and March 1 of each fiscal year, and more
16 frequently as requested by the Commission, on the use of these funds.
17 Section 2. This act becomes effective July 1, 1997.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1250

Short Title: Expand Marine Fisheries Commission.

(Public)

Sponsors: Representatives Smith; Bonner and Warwick.

Referred to: Appropriations.

May 12, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND THE MEMBERSHIP OF THE MARINE FISHERIES
3 COMMISSION AND TO APPROPRIATE FUNDS TO SUPPORT THE
4 EXPANDED COMMISSION.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 143B-289.24 reads as rewritten:

7 "§ 143B-289.24. Marine Fisheries Commission -- members; appointment; term; oath;
8 ethical standards; removal; compensation; staff.

9 (a) Members, Selection. -- The Marine Fisheries Commission shall consist of ~~nine~~
10 12 members appointed by the Governor as follows:

11 (1) One person actively engaged in, or recently retired from,
12 commercial fishing as demonstrated by currently or recently
13 deriving at least fifty percent (50%) of annual earned income from
14 taking and selling fishery resources in coastal fishing waters of the
15 State. The spouse of a commercial fisherman who meets the
16 criteria of this subdivision may be appointed under this
17 subdivision.

18 (2) One person actively engaged in, or recently retired from,
19 commercial fishing as demonstrated by currently or recently
20 deriving at least fifty percent (50%) of annual earned income from
21 taking and selling fishery resources in coastal fishing waters of the
22 State. The spouse of a commercial fisherman who meets the
23 criteria of this subdivision may be appointed under this
24 subdivision.

- (3) One person actively connected with, and experienced as, a licensed fish dealer or in seafood processing or distribution as demonstrated by deriving at least fifty percent (50%) of annual earned income from activities involving the buying, selling, processing, or distribution of seafood landed in this State. The spouse of a person qualified under this subdivision may be appointed provided that the spouse is actively involved in the qualifying business.
- (4) One person actively engaged in recreational sports fishing in coastal waters in this State. An appointee under this subdivision may not derive more than ten percent (10%) of annual earned income from sports fishing activities.
- (5) One person actively engaged in recreational sports fishing in coastal waters in this State. An appointee under this subdivision may not derive more than ten percent (10%) of annual earned income from sports fishing activities.
- (6) One person actively engaged in the sports fishing industry as demonstrated by deriving at least fifty percent (50%) of annual earned income from selling goods or services in this State. The spouse of a person qualified under this subdivision may be appointed provided that the spouse is actively involved in the qualifying business.
- (7) One person having general knowledge of and experience related to subjects and persons regulated by the Commission.
- (8) One person having general knowledge of and experience related to subjects and persons regulated by the Commission.
- (9) One person who is a fisheries scientist having special training and expertise in marine and estuarine fisheries biology, ecology, population dynamics, water quality, habitat protection, or similar knowledge. A person appointed under this subdivision may not receive more than ten percent (10%) of annual earned income from either the commercial or sports fishing industries, including the processing and distribution of seafood.
- (10) One person actively engaged in, or recently retired from, commercial fishing as demonstrated by currently or recently deriving one hundred percent (100%) of annual earned income from taking and selling fishery resources in coastal fishing waters of the State. The spouse of a commercial fisherman who meets the criteria of this subdivision may be appointed under this subdivision.
- (11) One person actively engaged in, or recently retired from, commercial fishing as demonstrated by currently or recently deriving one hundred percent (100%) of annual earned income from taking and selling fishery resources in coastal fishing waters of the State. The spouse of a commercial fisherman who meets the

criteria of this subdivision may be appointed under this subdivision.

(12) One person actively engaged in, or recently retired from, commercial fishing as demonstrated by currently or recently deriving one hundred percent (100%) of annual earned income from taking and selling fishery resources in coastal fishing waters of the State. The spouse of a commercial fisherman who meets the criteria of this subdivision may be appointed under this subdivision.

(b) Residential Qualifications. -- For purposes of providing regional representation on the Commission, the following three coastal regions of the State are designated: (i) Northeast Coastal Region comprised of Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Martin, Northampton, Pasquotank, Perquimans, Tyrrell, and Washington Counties, (ii) Central Coastal Region comprised of Beaufort, Carteret, Craven, Hyde, Jones, and Pamlico Counties; and (iii) Southeast Coastal Region comprised of Bladen, Brunswick, Columbus, New Hanover, Onslow, and Pender Counties. Persons appointed under subdivisions (1), (2), (3), (4), and (8) of subsection (a) of this section shall be residents of one of the coastal regions of the State. ~~The membership of the Commission shall include at least one person who is a resident of each of the three coastal regions of the State.~~ The person appointed under subdivision (10) of subsection (a) of this section shall be a resident of the Northeast Coastal Region. The person appointed under subdivision (11) of subsection (a) of this section shall be a resident of the Central Coastal Region. The person appointed under subdivision (12) of subsection (a) of this section shall be a resident of the Southeast Coastal Region.

(c) Additional Considerations. -- In making appointments to the Commission, the Governor shall provide for appropriate representation of women and minorities on the Commission.

(d) Terms. -- The term of office of members of the Commission is three years. A member may be reappointed to any number of successive three-year terms. Upon the expiration of a three-year term, a member shall continue to serve until a successor is appointed and duly qualified as provided by G.S. 128-7. The term of members appointed under subdivisions (1), (2), ~~and (3)~~ (3), ~~and (10)~~ of subsection (a) of this section shall expire on 30 June of years evenly divisible by three. The term of members appointed under subdivisions (4), (5), ~~and (6)~~ (6), ~~and (11)~~ of subsection (a) of this section shall expire on 30 June of years that precede by one year those years that are evenly divisible by three. The term of members appointed under subdivisions (7), (8), ~~and (9)~~ (9), ~~and (12)~~ of subsection (a) of this section shall expire on 30 June of years that follow by one year those years that are evenly divisible by three.

(e) Vacancies. -- An appointment to fill a vacancy shall be for the unexpired balance of the term.

1 (f) Oath of Office. -- Each member of the Commission, before assuming the duties
2 of office, shall take an oath of office as provided in Chapter 11 of the General
3 Statutes.

4 (g) Ethical Standards. --

5 (1) Disclosure statements. -- Any person under consideration for
6 appointment to the Commission shall provide both a financial
7 disclosure statement and a potential bias disclosure statement to
8 the Governor. A financial disclosure statement shall include
9 statements of the nominee's financial interests in and related to
10 State fishery resources use, licenses issued by the Division of
11 Marine Fisheries held by the nominee or any business in which the
12 nominee has a financial interest, and uses made by the nominee or
13 by any business in which the nominee has a financial interest of
14 the regulated resources. A potential bias disclosure statement shall
15 include a statement of the nominee's membership or other
16 affiliation with, including offices held, in societies, organizations, or
17 advocacy groups pertaining to the management and use of the
18 State's coastal fishery resources. Disclosure statements shall be
19 treated as public records under Chapter 132 of the General
20 Statutes and shall be updated on an annual basis.

21 (2) Voting/conflict of interest. -- A member of the Commission shall
22 not vote on any issue before the Commission that would have a
23 'significant and predictable effect' on the member's financial
24 interest. For purposes of this subdivision, 'significant and
25 predictable effect' means there is or may be a close causal link
26 between the decision of the Commission and an expected
27 disproportionate financial benefit to the member that is shared
28 only by a minority of persons within the same industry sector or
29 gear group. A member of the Commission shall also abstain from
30 voting on any petition submitted by an advocacy group of which
31 the member is an officer or sits as a member of the advocacy
32 group's board of directors. A member of the Commission shall not
33 use the member's official position as a member of the Commission
34 to secure any special privilege or exemption of substantial value for
35 any person. No member of the Commission shall, by the member's
36 conduct, create an appearance that any person could improperly
37 influence the member in the performance of the member's official
38 duties.

39 (3) Regular attendance. -- It shall be the duty of each member of the
40 Commission to regularly attend meetings of the Commission.

41 (h) Removal. -- The Governor may remove, as provided in G.S. 143-13, any
42 member of the Commission for misfeasance, malfeasance, or nonfeasance.

43 (i) Office May Be Held Concurrently With Others. -- The office of member of the
44 Marine Fisheries Commission may be held concurrently with any other elected or

1 appointed office, as authorized by Article VI, Section 9, of the Constitution of North
2 Carolina.

3 (j) Compensation. -- Members of the Commission who are State officers or
4 employees shall receive no per diem compensation for serving on the Commission,
5 but shall be reimbursed for their expenses in accordance with G.S. 138-6. Members
6 of the Commission who are full-time salaried public officers or employees other than
7 State officers or employees shall receive no per diem compensation for serving on the
8 Commission, but shall be reimbursed for their expenses in accordance with G.S.
9 138-6 in the same manner as State officers or employees. All other Commission
10 members shall receive per diem compensation and reimbursement in accordance with
11 the compensation rate established in G.S. 93B-5.

12 (k) Staff. -- All clerical and other services required by the Commission shall be
13 supplied by the Fisheries Director and the Department.

14 (l) Legal Services. -- The Attorney General shall: (i) act as attorney for the
15 Commission; (ii) at the request of the Commission, initiate actions in the name of the
16 Commission; and (iii) represent the Commission in any appeal or other review of any
17 order of the Commission."

18 Section 2. In order to maintain a schedule of staggered terms of three
19 years for the Marine Fisheries Commission, the term of the member of the
20 Commission initially filling the position established by subdivision (10) of subsection
21 (a) of G.S. 143B-289.24, as amended by Section 1 of this act, shall begin on the date
22 the member is appointed and duly qualified and shall expire on 30 June 2001; the
23 term of the member of the Commission initially filling the position established by
24 subdivision (11) of subsection (a) of G.S. 143B-289.24, as amended by Section 1 of
25 this act, shall begin on the date the member is appointed and duly qualified and shall
26 expire on 30 June 2000; the term of the member of the Commission initially filling
27 the position established by subdivision (12) of subsection (a) of G.S. 143B-289.24, as
28 amended by Section 1 of this act, shall begin on the date the member is appointed
29 and duly qualified and shall expire on 30 June 2002.

30 Section 3. There is appropriated to the Department of Environment and
31 Natural Resources the sum of twenty thousand dollars (\$20,000) for the 1998-99 fiscal
32 year for administrative and other expenses of the Marine Fisheries Commission
33 resulting from the expansion of the Commission pursuant to Sections 1 and 2 of this
34 act.

35 Section 4. This act becomes effective 1 July 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1390*

Short Title: Funds for Low-Income Housing.

(Public)

Sponsors: Representatives Allred; Beall, Cole, Davis, H. Hunter, Luebke, Sherrill, Sutton, and Womble.

Referred to: Appropriations.

May 21, 1998

1 A BILL TO BE ENTITLED

2 AN ACT TO RESERVE FOUR PERCENT OF THE UNRESERVED CREDIT
3 BALANCE IN THE GENERAL FUND AT THE END OF EACH FISCAL
4 YEAR TO THE HOUSING TRUST FUND AND TO RESERVE TWO
5 PERCENT OF THE UNRESERVED CREDIT BALANCE IN THE GENERAL
6 FUND AT THE END OF EACH FISCAL YEAR TO THE DEPARTMENT OF
7 COMMERCE FOR THE CENTER FOR COMMUNITY SELF-HELP.

8 The General Assembly of North Carolina enacts:

9 Section 1. Article 1 of Chapter 143 of the General Statutes is amended by
10 adding a new section to read:

11 "**§ 143-15.3D. Housing fund.**

12 (a) The State Controller shall reserve to the Housing Trust Fund, established in
13 Chapter 122E of the General Statutes, four percent (4%) of any unreserved credit
14 balance remaining in the General Fund at the end of each fiscal year or twenty
15 million dollars (\$20,000,000), whichever is greater. The funds in the Housing Trust
16 Fund shall be used only in accordance with Chapter 122E of the General Statutes.

17 (b) The State Controller shall reserve to the Department of Commerce for the
18 Center for Community Self-Help two percent (2%) of any unreserved credit balance
19 remaining in the General Fund at the end of each fiscal year or ten million dollars
20 (\$10,000,000), whichever is greater. The funds distributed to the Center for
21 Community Self-Help shall be used as provided in G.S. 143B-437.06."

22 Section 2. Part 2 of Article 10 of Chapter 143B of the General Statutes is
23 amended by adding a new section to read:

1 **"§ 143B-437.06. Community Self-Help Home Ownership Program.**

2 (a) Funds. -- The Department of Commerce shall remit to the Center for
3 Community Self-Help the funds reserved under G.S. 143-15.3D(b). The Department
4 of Commerce shall disburse the funds within 15 working days after the receipt of a
5 request for the funds from the Center for Community Self-Help. The request shall
6 include a commitment of the leveraged funds by the Center or its affiliates.

7 (b) Loan Program. -- The funds remitted under this section shall be used to
8 further a statewide program of lending for owner-occupied home ownership
9 throughout North Carolina. These funds shall be leveraged on a ten-to-one basis,
10 generating at least ten dollars (\$10.00) of nontraditional home loans for every one
11 dollar (\$1.00) of State funds. Repayments shall be available for further loans or
12 guarantees.

13 (c) Audits. -- The Center for Community Self-Help shall submit within 180 days
14 after the close of its fiscal year, audited financial statements to the State Auditor. All
15 records pertaining to the use of State funds shall be made available to the State
16 Auditor upon request. The Department of State Auditor may conduct an annual
17 end-of-year audit of the revolving fund for home ownership lending created by this
18 section each year of the life of the revolving fund.

19 (d) Reports. -- The Center for Community Self-Help shall make quarterly reports
20 on the use of State funds to the State Auditor, in form and format prescribed by the
21 State Auditor. The Center for Community Self-Help shall make a written report by
22 May 1 of each year of the life of the revolving fund to the General Assembly on the
23 use of the funds allocated under this section. The Center for Community Self-Help
24 shall also report to the Joint Legislative Commission on Governmental Operations,
25 the House Appropriations Subcommittee on Natural and Economic Resources, the
26 Senate Appropriations Subcommittee on Natural and Economic Resources, and the
27 Department of Commerce on a quarterly basis for each year of the life of the
28 revolving fund.

29 (e) Dissolution. -- If the Center for Community Self-Help dissolves, the corporation
30 shall transfer the remaining assets of the revolving fund to the State and shall refrain
31 from disposing of the revolving fund assets without approval of the State Treasurer."

32 Section 3. G.S. 143-15.2 reads as rewritten:

33 **"§ 143-15.2. Use of General Fund credit balance; priority uses.**

34 (a) As used in G.S. 143-15.3, 143-15.3A, ~~and~~ 143-15.3B, and 143-15.3D, the term
35 'unreserved credit balance' means the credit balance amount, as determined on a
36 cash basis, before funds are reserved by the State Controller to the Savings Reserve
37 Account, the Repairs and Renovations Reserve Account, ~~or~~ the Clean Water
38 Management Trust Fund ~~Fund~~, the Housing Trust Fund, or the Department of
39 Commerce for the Center for Community Self-Help pursuant to G.S. 143-15.3, 143-
40 15.3A, ~~and~~ 143-15.3B. 143-15.3B, and 143-15.3D.

41 (b) The State Controller shall transfer funds from the unreserved credit balance to
42 the Savings Reserve Account in accordance with G.S. 143-15.3(a).

43 (c) The State Controller shall transfer funds from the unreserved credit balance to
44 the Repairs and Renovation Reserve Account in accordance with G.S. 143-15.3A(a).

1 (d) The State Controller shall transfer funds from the unreserved credit balance to
2 the Clean Water Management Trust Fund in accordance with G.S. 143-15.3B(a).

3 (d1) The State Controller shall transfer funds from the unreserved credit balance
4 to the Housing Trust Fund in accordance with G.S. 143-15.3D(a), and to the
5 Department of Commerce for the Center for Community Self-Help in accordance
6 with G.S. 143-15.3D(b).

7 (e) The General Assembly may appropriate that part of the anticipated General
8 Fund credit balance not expected to be reserved only for capital improvements or
9 other one-time expenditures."

10 Section 4. G.S. 143-15.3 reads as rewritten:

11 "§ 143-15.3. Savings Reserve Account.

12 (a) There is established a Savings Reserve Account as a restricted reserve in the
13 General Fund. The State Controller shall reserve to the Savings Reserve Account
14 one-fourth of any unreserved credit balance remaining in the General Fund at the
15 end of each fiscal year until the account contains funds equal to five percent (5%) of
16 the amount appropriated the preceding year for the General Fund operating budget,
17 including local government tax-sharing funds, that were directly appropriated. In the
18 event that the one-fourth exceeds the amount necessary to reach the five percent
19 (5%) level, only funds necessary to reach that level shall be reserved. If there are
20 insufficient funds in the unreserved credit balance for the Savings Reserve Account,
21 the Repairs and Renovations Reserve Account, ~~and~~ the Clean Water Management
22 Trust Fund, the Housing Trust Fund, and the Department of Commerce for the
23 Center for Community Self-Help, then the requirements of this section shall be
24 complied with first, and any remaining funds shall be reserved to the Repairs and
25 Renovations Reserve Account, in accordance with G.S. 143-15.3A, ~~and~~ the Clean
26 Water Management Trust Fund, in accordance with G.S. ~~143-15.3B.~~ 143-15.3B, the
27 Housing Trust Fund, in accordance with G.S. 143-15.3D(a), and the Department of
28 Commerce for the Center for Community Self-Help, in accordance with G.S. 143-
29 15.3D(b).

30 (a1) If the balance in the Savings Reserve Account falls below the five percent
31 (5%) level during a fiscal year, the State Controller shall, in accordance with
32 subsection (a) of this section, reserve to the Savings Reserve Account for the
33 following fiscal years up to one-fourth of any unreserved credit balance remaining in
34 the General Fund at the end of each fiscal year until the account again equals the
35 five percent (5%) level set out in subsection (a) of this section.

36 (b) The Director may not use funds in the Savings Reserve Account unless the use
37 has been approved by an act of the General Assembly."

38 Section 5. This act becomes effective June 30, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1531

Short Title: Home/Community Partnership Funds.

(Public)

Sponsors: Representatives Cansler; and Sherrill.

Referred to: Appropriations.

May 27, 1998

1 A BILL TO BE ENTITLED

2 AN ACT TO APPROPRIATE FUNDS TO INCREASE AND SUSTAIN THE
3 CAPACITY OF NONPROFIT HOUSING DEVELOPERS TO PRODUCE
4 AFFORDABLE HOUSING AND STRENGTHEN COMMUNITIES.

5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the North
7 Carolina Housing Finance Agency the sum of two million five hundred thousand
8 dollars (\$2,500,000) for the 1998-99 fiscal year to be allocated to community-based
9 nonprofit low-income housing development and technical assistance organizations.
10 These funds shall be used to support the development of housing affordable to
11 persons of low income, for direct grants to new and existing housing development
12 and technical assistance organizations to support operations and project activities, and
13 for administrative and other operational purposes that expand the capacity of these
14 organizations to provide affordable housing and associated comprehensive services
15 and programs.

16 Section 2. The North Carolina Housing Finance Agency shall adopt
17 temporary rules pursuant to G.S. 150B-21.1 within 90 days of the effective date of this
18 act governing the eligibility of applicants, application procedures, eligibility
19 requirements, criteria and standards for awarding grants, and performance standards
20 for continued funding and shall make available to the general public and interested
21 parties adequate opportunity for input into the rule-making process.

22 Section 3. The North Carolina Housing Finance Agency shall report
23 every six months to the Joint Legislative Commission on Governmental Operations

1 on the use of these funds allocated pursuant to this act. The Agency shall not use
2 these funds for its own administrative purposes.

3 Section 4. For purposes of this act, the term "community-based nonprofit
4 low-income housing development and technical assistance organization" means a
5 nonprofit corporation chartered pursuant to section 501(c)(3) of the Internal Revenue
6 Code, which has as a major purpose the development and improvement of housing
7 that is affordable to persons of low income; serves the community in which it is
8 located; is neither controlled by, nor under the direction of, individuals or entities
9 seeking to derive profit or gain from the organization; and maintains accountability to
10 low-income community residents through board membership or other formal
11 processes for input into the organization's housing decision-making process. For
12 purposes of this act, the term "low-income" refers to persons and families whose
13 incomes do not exceed eighty percent (80%) of the area median family income, with
14 adjustments for family size, according to the latest figures available for the United
15 States Department of Housing and Urban Development.

16 Section 5. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1681

Short Title: Information Technology Trust Fund.

(Public)

Sponsors: Representatives Reynolds; Davis, Mosley, Shubert, and Tolson.

Referred to: Appropriations.

June 1, 1998

- 1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE INFORMATION TECHNOLOGY TRUST FUND.
3 The General Assembly of North Carolina enacts:
4 Section 1. Article 10 of Chapter 143B of the General Statutes is
5 amended by adding a new Part to read:
6 "Part 17. "Information Technology Trust Fund.
7 "§ 143B-472.50. Information Technology Trust Fund: established.
8 (a) There is established an Information Technology Trust Fund in the Department
9 of State Treasurer that shall be used to develop and promote strategic technology and
10 electronic commerce initiatives in State government through grants awarded to State
11 agencies pursuant to criteria adopted by the Board of Trustees established pursuant to
12 G.S. 143B-472.52.
13 (b) The State Treasurer shall hold the Fund separate and apart from all other
14 moneys, funds, and accounts. Investment earnings credited to the assets of the Fund
15 shall become part of the Fund. Any balance remaining in the Fund at the end of any
16 fiscal year shall be carried forward in the Fund for the next succeeding fiscal year.
17 Payments from the Fund shall be made on the warrant of the Chair of the Board of
18 Trustees.
19 "§ 143B-472.51. Information Technology Trust Fund: eligibility and criteria for
20 grants; reporting.
21 (a) The Board of Trustees shall adopt criteria and requirements for allocating
22 moneys from the Fund as grants and for awarding grants to State agencies as
23 authorized pursuant to this Article.

1 Governmental Operations and to the Chairs of the House of Representatives and
2 Senate Appropriations Committees by November 1, 1998, on:

3 (1) The criteria and guidelines adopted by the Board pursuant to G.S.
4 143B-472.51 as enacted by this act.

5 (2) The Board's recommendations regarding means of continued
6 funding for the Information Technology Trust Fund, including the
7 advisability and feasibility of funding the Trust Fund by reversions
8 of State funds appropriated to agencies for technology and
9 information systems.

10 (3) Any legislative proposals to implement the objectives and purposes
11 of Part 17 of Article 10 of Chapter 143B of the General Statutes, as
12 enacted by this act.

13 A written copy of the report shall be sent to the Fiscal Research Division of the
14 General Assembly by November 1, 1998.

15 Section 3. G.S. 120-123 is amended by adding a new subdivision to read:

16 "(23) The Information Technology Trust Fund Board of Trustees as
17 established by G.S. 143B-472.50."

18 Section 4. There is appropriated from the General Fund to the
19 Information Technology Trust Fund established pursuant to this act the sum of ten
20 million dollars (\$10,000,000) for the 1998-99 fiscal year to implement the provisions
21 of this act.

22 Section 5. This act becomes effective July 1, 1998.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

H

1

HOUSE BILL 1721

Short Title: Lake Gaston State Park Study.

(Public)

Sponsors: Representatives Hardaway; and H. Hunter.

Referred to: Appropriations.

June 1, 1998

1 A BILL TO BE ENTITLED
2 AN ACT TO APPROPRIATE FUNDS TO STUDY THE FEASIBILITY OF
3 DEVELOPING A STATE PARK IN THE AREA OF LAKE GASTON IN
4 HALIFAX COUNTY.
5 The General Assembly of North Carolina enacts:
6 Section 1. There is appropriated from the General Fund to the
7 Department of Environment and Natural Resources, Division of Parks and
8 Recreation, the sum of twenty thousand dollars (\$20,000) for the 1998-99 fiscal year
9 for the Division to review the needs of the State Parks System as described in the
10 Plan in accordance with G.S. 113-44.14(b) and determine the feasibility and cost of
11 developing the Gaston Lake area in Halifax County as a State Park. The Department
12 shall report the results of this study to the 1999 General Assembly.
13 Section 2. This act becomes effective July 1, 1998.

Minutes

House Appropriations Sub-Committee on Natural and Economic Resources

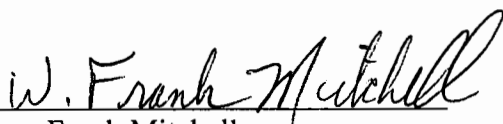
October 19, 1998 - 6:15 p.m.

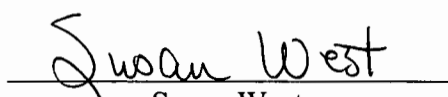
The House Appropriations Sub-Committee on Natural and Economic Resources met Monday, October 19, 1998 at 6:15 p.m. in the House Conference Room of the Legislative Building. Representative Frank Mitchell, Co-Chair, called the meeting to order at 6:15 p.m. Members present were Representatives Mitchell, Baker, Carpenter, Owens, Allen, Culp, Hall Tolson and Weatherly. Also present were Representatives Holmes, Creech, Esposito, Crawford and Daughtry.

After introductions, The proposed committee substitute for Senate Bill 421 entitled Homestead Property Tax Relief was explained by Martha Harris of the Bill Drafting Division (see Attachment A, original bill is Attachment B). She noted the proposed committee substitute removes the section that reimburses the counties 50% for their loss resulting from the change in the homestead exemption, and changes the title of the bill. Representative Hall commented the Senate's position, and made a motion to give the proposed committee substitute a favorable report, unfavorable to the original bill. Representative Owens asked if the original reimbursement was 50%. Representative Mitchell replied the bill was amended in the House Finance Committee to include 50% reimbursement to the counties and the proposed committee substitute removes the reimbursement. Representative Owens asked if the referendum was removed. Representative Mitchell replied the referendum was not removed, and was a part of the original bill. Representative Weatherly noted the essence of the situation was to accept the proposed committee substitute in order to concur with the Senate. Representative Mitchell remarked if the proposed committee substitute wasn't adopted, the length of the Session will be prolonged, and it is the State's best interest to accept it. At this time, Representative Mitchell restated Representative Hall's motion. Representative Owens commented he couldn't support the motion because of the unfunded mandates on the counties. Representative Carpenter noted his intent was to amend the bill in the Finance Committee to reimburse the counties at 50%. Representative Hall remarked the budget conferees had agreed to this without the reimbursement. Representative Weatherly remarked the members of the Sub-Committee must give the proposed committee substitute a favorable report. Representative Culp asked what had been the reimbursement to the counties. Representative Mitchell replied the reimbursement was 100% in the first year. By a voice vote, the motion carried.

The meeting adjourned at 6:25 p.m.

Respectfully submitted,


Frank Mitchell
Chair


Susan West
Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

D

SENATE BILL 421

House Committee Substitute Favorable 8/24/98

House Committee Substitute #2 Favorable 10/15/98

Proposed House Committee Substitute S421-PCS3663-LC

Short Title: Homestead Property Tax Relief.

(Public)

Sponsors:

Referred to:

March 18, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION
3 INCOME THRESHOLD TO TWENTY THOUSAND DOLLARS WITHOUT
4 REIMBURSING LOCAL GOVERNMENTS FOR THE RESULTING REVENUE
5 LOSS, AND TO AMEND THE CONSTITUTION OF NORTH CAROLINA, IF
6 APPROVED BY THE VOTERS IN THE 2000 GENERAL ELECTION, TO
7 AUTHORIZE THE GENERAL ASSEMBLY TO ENACT LEGISLATION
8 ALLOWING EACH COUNTY TO, WITHOUT REIMBURSEMENT, (I)
9 INCREASE THE AMOUNT OF THE PROPERTY TAX HOMESTEAD
10 EXEMPTION FOR LOW-INCOME ELDERLY AND DISABLED
11 INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE DEFINITION OF
12 "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED
13 INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.
14 The General Assembly of North Carolina enacts:
15 Section 1. (a) G.S. 105-277.1(a)(2) reads as rewritten:
16 "(2) Has an income for the preceding calendar year of not more than
17 ~~fifteen thousand dollars (\$15,000).~~ twenty thousand dollars
18 (\$20,000)."
19 (b) G.S. 105-309(f) reads as rewritten:
20 "(f) The following information shall appear on each abstract or on an information
21 sheet distributed with the abstract. The abstract or sheet must include the address and

1 telephone number of the assessor below the notice required by this subsection. The
2 notice shall read as follows:

3
4 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
5 **PERMANENTLY DISABLED PERSONS.**
6

7 North Carolina excludes from property taxes the first twenty thousand dollars
8 (\$20,000) in appraised value of a permanent residence owned and occupied by North
9 Carolina residents aged 65 or older or totally and permanently disabled whose
10 income does not exceed ~~fifteen thousand dollars (\$15,000)~~ twenty thousand dollars
11 (\$20,000). Income means the owner's adjusted gross income as determined for federal
12 income tax purposes, plus all moneys received other than gifts or inheritances
13 received from a spouse, lineal ancestor or lineal descendant.

14 If you received this exclusion in (assessor insert previous year), you do not need to
15 apply again unless you have changed your permanent residence. If you received the
16 exclusion in (assessor insert previous year) and your income in (assessor insert
17 previous year) was above ~~fifteen thousand dollars (\$15,000)~~ twenty thousand dollars
18 (\$20,000), you must notify the assessor. If you received the exclusion in (assessor
19 insert previous year) because you were totally and permanently disabled and you are
20 no longer totally and permanently disabled, you must notify the assessor. If the person
21 receiving the exclusion in (assessor insert previous year) has died, the person required
22 by law to list the property must notify the assessor. Failure to make any of the notices
23 required by this paragraph before April 15 will result in penalties and interest.

24 If you did not receive the exclusion in (assessor insert previous year) but are now
25 eligible, you may obtain a copy of an application from the assessor. It must be filed
26 by April 15."

27 (c) This section becomes effective for taxes imposed for taxable years
28 beginning on or after July 1, 1999.

29 Section 2. Section 2 of Article V of the North Carolina Constitution is
30 amended by adding a new subsection to read:

31 "(8) Property tax homestead exclusion. If the General Assembly enacts legislation
32 classifying and excluding from ad valorem taxation part of the value of the residence
33 of each elderly or disabled individual whose income is below a maximum amount
34 and who satisfies other conditions, the General Assembly may, notwithstanding
35 subsection (2) of this section, enact a general law uniformly applicable throughout the
36 State authorizing each county to increase the portion of a classified residence's value
37 that is excluded in that county and to increase the maximum income threshold to
38 qualify for the exclusion in that county."

39 Section 3. G.S. 105-277.1 is amended by adding a new subsection to read:

40 "(a1) Local Option Increase. -- The board of commissioners of a county may, by
41 resolution, increase the amount of the exclusion provided in subsection (a) of this
42 section, increase the maximum income threshold provided in subdivision (a)(2) of
43 this section, or both. An increase adopted under this subsection shall apply
44 uniformly within the county. The board of commissioners of a county may, by

1 resolution, repeal or reduce an increase adopted under this subsection, but may not
2 reduce the exclusion or the income threshold provided in subsection (a) of this
3 section. A resolution changing the exclusion amount or the income threshold within
4 a county pursuant to this subsection shall become effective no earlier than for the
5 taxable year beginning July 1 following adoption of the resolution."

6 Section 4. G.S. 105-309(f), as amended by Section 1 of this act, reads as
7 rewritten:

8 "(f) The following information shall appear on each abstract or on an information
9 sheet distributed with the abstract. If the county has increased the exclusion amount
10 or the income threshold pursuant to G.S. 105-277.1(a1), the assessor shall substitute
11 the applicable dollar amounts. The abstract or sheet must include the address and
12 telephone number of the assessor below the notice required by this subsection. The
13 notice shall read as follows:

14
15 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
16 **PERMANENTLY DISABLED PERSONS.**
17

18 North Carolina excludes from property taxes the first twenty thousand dollars
19 (\$20,000) in appraised value of a permanent residence owned and occupied by North
20 Carolina residents aged 65 or older or totally and permanently disabled whose
21 income does not exceed twenty thousand dollars (\$20,000). Income means the
22 owner's adjusted gross income as determined for federal income tax purposes, plus all
23 moneys received other than gifts or inheritances received from a spouse, lineal
24 ancestor or lineal descendant.

25 If you received this exclusion in (assessor insert previous year), you do not need to
26 apply again unless you have changed your permanent residence. If you received the
27 exclusion in (assessor insert previous year) and your income in (assessor insert
28 previous year) was above twenty thousand dollars (\$20,000), you must notify the
29 assessor. If you received the exclusion in (assessor insert previous year) because you
30 were totally and permanently disabled and you are no longer totally and permanently
31 disabled, you must notify the assessor. If the person receiving the exclusion in
32 (assessor insert previous year) has died, the person required by law to list the
33 property must notify the assessor. Failure to make any of the notices required by this
34 paragraph before April 15 will result in penalties and interest.

35 If you did not receive the exclusion in (assessor insert previous year) but are now
36 eligible, you may obtain a copy of an application from the assessor. It must be filed
37 by April 15."

38 Section 5. G.S. 105-328 reads as rewritten:

39 **"§ 105-328. Listing, appraisal, and assessment of property subject to taxation by cities**
40 **and towns situated in more than one county.**

41 (a) For Except as provided in subsection (a1) of this section, for purposes of
42 municipal taxation, all property subject to taxation by a city or town situated in two
43 or more counties may, by resolution of the governing body of the municipality, be
44 listed, appraised, and assessed as provided in G.S. 105-326 and 105-327 if, in such a

1 case, in the opinion of the governing body, the same appraisal and assessment
2 standards will thereby apply uniformly throughout the municipality. However, if, in
3 such a case, the governing body ~~shall determine~~ determines that adoption of the
4 appraisals and assessments fixed by the counties will not result in uniform appraisals
5 and assessments throughout the municipality, the governing body may, by horizontal
6 adjustments, equalize the appraisal and assessment values fixed by the counties in
7 order to obtain the required uniformity. Taxes levied by the city or town shall be
8 levied uniformly on the assessments so determined.

9 (a1) This section does not apply to assessments of property that differ in any of
10 the counties in which the city or town is located because of a local option adjustment
11 in the homestead exclusion under G.S. 105-277.1(a1).

12 (b) Should the governing body of a city or town situated in two or more counties
13 not adopt the procedure provided in subsection ~~(a), above,~~ (a) of this section, all
14 property subject to taxation by the municipality shall be listed, appraised, and
15 assessed as provided in subdivisions (b)(1) through (b)(6), below.

16 (1) The governing body of the city or town shall appoint a municipal
17 assessor on or before the first Monday in July in each
18 odd-numbered year. The governing body may remove the
19 municipal assessor from office during his term for good cause after
20 giving him notice in writing and an opportunity to appear and be
21 heard at a public session of the appointing body. Whenever a
22 vacancy occurs in the office, the governing body shall appoint a
23 qualified person to serve as municipal assessor for the period of the
24 unexpired term. Persons holding the position of municipal assessor
25 on July 1, 1971, shall be deemed qualified to fill the position. A
26 person appointed as a municipal assessor shall meet the
27 qualifications and requirements set for a county assessor under
28 G.S. 105-294.

29 (2) With the approval of the governing body, a municipal assessor may
30 employ testers, appraisers, and clerical assistants necessary to carry
31 out the listing, appraisal, assessing, and billing functions required
32 by law.

33 (3) A municipal assessor and the persons employed by him have the
34 same powers and duties as their county equivalents with respect to
35 property subject to taxation by a city or town.

36 (4) The governing body shall, with respect to property subject to city
37 or town taxation, be vested with the powers and duties vested by
38 this Subchapter in boards of county commissioners and boards of
39 equalization and review. Appeals may be taken from the municipal
40 board of equalization and review or governing body to the
41 Property Tax Commission in the manner provided in this
42 Subchapter for appeals from county boards of equalization and
43 review and boards of county commissioners.

- 1 (5) All expenses incident to the listing, appraisal, and assessment of
2 property for the purpose of city or town taxation shall be borne by
3 the municipality for whose benefit the work is undertaken.
- 4 (6) The intent of this subsection (b) is to provide cities and towns that
5 are situated in two or more counties with machinery for listing,
6 appraising, and assessing property for municipal taxation
7 equivalent to that established by this Subchapter for counties. The
8 powers to be exercised by, the duties imposed on, and the possible
9 penalties against municipal governing bodies, boards of
10 equalization and review, assessors, and persons employed by an
11 assessor shall be the same as those provided in this Subchapter by,
12 on, or against county boards of commissioners, boards of
13 equalization and review, assessors, and persons employed by an
14 assessor."

15 Section 6. The amendment set out in Section 2 of this act shall be
16 submitted to the qualified voters of the State at the statewide general election to be
17 held in 2000. The election shall be conducted under the laws then governing
18 elections in the State. Ballots, voting systems, or both may be used in accordance with
19 Chapter 163 of the General Statutes. The question to be used in the voting systems
20 and ballots shall be:

21 "[] FOR [] AGAINST

22 Constitutional amendment authorizing the General Assembly to allow
23 counties to (1) increase the property tax exemption for a residence owned by a low-
24 income elderly or disabled person and (2) raise the definition of 'low-income' so
25 more elderly and disabled persons can qualify for the exemption."

26 Section 7. If a majority of the votes cast on the question are in favor of
27 the amendment set out in Section 2 of this act, the State Board of Elections shall
28 certify the amendment to the Secretary of State. The amendment becomes effective
29 upon this certification. The Secretary of State shall enroll the amendment so
30 certified among the permanent records of that office.

31 Section 8. The catch line of G.S. 105-277.1 reads as rewritten:

32 "**§ 105-277.1. Property ~~classified for taxation at reduced valuation; tax homestead~~**
33 **exclusion.**"

34 Section 9. The catch line of G.S. 105-277.1A reads as rewritten:

35 "**§ 105-277.1A. Property ~~classified for taxation at reduced valuation; duties of tax~~**
36 **collectors; tax homestead exclusion; reimbursement of localities for portion of tax**
37 **lost.**"

38 Section 10. Section 1 of this act becomes effective for taxes imposed for
39 taxable years beginning on or after July 1, 1999. Sections 3, 4, and 5 of this act
40 become effective only if the constitutional amendment proposed by Section 2 of this
41 act is approved as provided in Sections 6 and 7 of this act. If the constitutional
42 amendment is approved, Sections 3, 4, and 5 of this act become effective when the
43 State Board of Elections certifies the amendment to the Secretary of State. The
44 remainder of this act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

S

3

SENATE BILL 421

House Committee Substitute Favorable 8/24/98

House Committee Substitute #2 Favorable 10/15/98

Short Title: Homestead Property Tax Relief.

(Public)

Sponsors:

Referred to:

March 18, 1997

- 1 A BILL TO BE ENTITLED
- 2 AN ACT TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION
- 3 INCOME THRESHOLD TO TWENTY THOUSAND DOLLARS WITH FIFTY
- 4 PERCENT REIMBURSEMENT TO LOCAL GOVERNMENTS FOR THE
- 5 RESULTING REVENUE LOSS, AND TO AMEND THE CONSTITUTION OF
- 6 NORTH CAROLINA, IF APPROVED BY THE VOTERS IN THE 2000
- 7 GENERAL ELECTION, TO AUTHORIZE THE GENERAL ASSEMBLY TO
- 8 ENACT LEGISLATION ALLOWING EACH COUNTY TO (I) INCREASE THE
- 9 AMOUNT OF THE PROPERTY TAX HOMESTEAD EXEMPTION FOR
- 10 LOW-INCOME ELDERLY AND DISABLED INDIVIDUALS IN THAT
- 11 COUNTY AND (II) RAISE THE DEFINITION OF "LOW-INCOME" SO THAT
- 12 MORE ELDERLY AND DISABLED INDIVIDUALS CAN QUALIFY FOR THE
- 13 EXEMPTION.
- 14 The General Assembly of North Carolina enacts:
- 15 Section 1. (a) G.S. 105-277.1(a)(2) reads as rewritten:
- 16 "(2) Has an income for the preceding calendar year of not more than
- 17 ~~fifteen thousand dollars (\$15,000).~~ twenty thousand dollars
- 18 (\$20,000)."
- 19 (b) G.S. 105-309(f) reads as rewritten:
- 20 "(f) The following information shall appear on each abstract or on an information
- 21 sheet distributed with the abstract. The abstract or sheet must include the address and

1 telephone number of the assessor below the notice required by this subsection. The
2 notice shall read as follows:

3
4 ‘PROPERTY TAX RELIEF FOR ELDERLY AND
5 PERMANENTLY DISABLED PERSONS.
6

7 North Carolina excludes from property taxes the first twenty thousand dollars
8 (\$20,000) in appraised value of a permanent residence owned and occupied by North
9 Carolina residents aged 65 or older or totally and permanently disabled whose
10 income does not exceed ~~fifteen thousand dollars (\$15,000)~~ twenty thousand dollars
11 (\$20,000). Income means the owner's adjusted gross income as determined for federal
12 income tax purposes, plus all moneys received other than gifts or inheritances
13 received from a spouse, lineal ancestor or lineal descendant.

14 If you received this exclusion in (assessor insert previous year), you do not need to
15 apply again unless you have changed your permanent residence. If you received the
16 exclusion in (assessor insert previous year) and your income in (assessor insert
17 previous year) was above ~~fifteen thousand dollars (\$15,000)~~ twenty thousand dollars
18 (\$20,000), you must notify the assessor. If you received the exclusion in (assessor
19 insert previous year) because you were totally and permanently disabled and you are
20 no longer totally and permanently disabled, you must notify the assessor. If the person
21 receiving the exclusion in (assessor insert previous year) has died, the person required
22 by law to list the property must notify the assessor. Failure to make any of the notices
23 required by this paragraph before April 15 will result in penalties and interest.

24 If you did not receive the exclusion in (assessor insert previous year) but are now
25 eligible, you may obtain a copy of an application from the assessor. It must be filed
26 by April 15."

27 (c) This section becomes effective for taxes imposed for taxable years
28 beginning on or after July 1, 1999.

29 Section 2. Section 2 of Article V of the North Carolina Constitution is
30 amended by adding a new subsection to read:

31 "(8) Property tax homestead exclusion. If the General Assembly enacts legislation
32 classifying and excluding from ad valorem taxation part of the value of the residence
33 of each elderly or disabled individual whose income is below a maximum amount
34 and who satisfies other conditions, the General Assembly may, notwithstanding
35 subsection (2) of this section, enact a general law uniformly applicable throughout the
36 State authorizing each county to increase the portion of a classified residence's value
37 that is excluded in that county and to increase the maximum income threshold to
38 qualify for the exclusion in that county."

39 Section 3. G.S. 105-277.1 is amended by adding a new subsection to read:

40 "(a1) Local Option Increase. -- The board of commissioners of a county may, by
41 resolution, increase the amount of the exclusion provided in subsection (a) of this
42 section, increase the maximum income threshold provided in subdivision (a)(2) of
43 this section, or both. An increase adopted under this subsection shall apply
44 uniformly within the county. The board of commissioners of a county may, by

1 resolution, repeal or reduce an increase adopted under this subsection, but may not
2 reduce the exclusion or the income threshold provided in subsection (a) of this
3 section. A resolution changing the exclusion amount or the income threshold within
4 a county pursuant to this subsection shall become effective no earlier than for the
5 taxable year beginning July 1 following adoption of the resolution."

6 Section 4. G.S. 105-309(f), as amended by Section 1 of this act, reads as
7 rewritten:

8 "(f) The following information shall appear on each abstract or on an information
9 sheet distributed with the abstract. If the county has increased the exclusion amount
10 or the income threshold pursuant to G.S. 105-277.1(a1), the assessor shall substitute
11 the applicable dollar amounts. The abstract or sheet must include the address and
12 telephone number of the assessor below the notice required by this subsection. The
13 notice shall read as follows:

14
15 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
16 **PERMANENTLY DISABLED PERSONS.**
17

18 North Carolina excludes from property taxes the first twenty thousand dollars
19 (\$20,000) in appraised value of a permanent residence owned and occupied by North
20 Carolina residents aged 65 or older or totally and permanently disabled whose
21 income does not exceed twenty thousand dollars (\$20,000). Income means the
22 owner's adjusted gross income as determined for federal income tax purposes, plus all
23 moneys received other than gifts or inheritances received from a spouse, lineal
24 ancestor or lineal descendant.

25 If you received this exclusion in (assessor insert previous year), you do not need to
26 apply again unless you have changed your permanent residence. If you received the
27 exclusion in (assessor insert previous year) and your income in (assessor insert
28 previous year) was above twenty thousand dollars (\$20,000), you must notify the
29 assessor. If you received the exclusion in (assessor insert previous year) because you
30 were totally and permanently disabled and you are no longer totally and permanently
31 disabled, you must notify the assessor. If the person receiving the exclusion in
32 (assessor insert previous year) has died, the person required by law to list the
33 property must notify the assessor. Failure to make any of the notices required by this
34 paragraph before April 15 will result in penalties and interest.

35 If you did not receive the exclusion in (assessor insert previous year) but are now
36 eligible, you may obtain a copy of an application from the assessor. It must be filed
37 by April 15."

38 Section 4.1. G.S. 105-277.1A is amended by adding two new subsections
39 to read:

40 "(a2) On December 1, 1999, the tax collector of each county and the tax collector
41 of each city shall furnish to the Secretary of Revenue a list containing the name and
42 address of each taxpayer who has qualified in that year for the exemption provided in
43 G.S. 105-277.1 and whose income was above fifteen thousand dollars (\$15,000). On
44 the list, the tax collector shall provide for each name the total amount of property

1 exempted, the tax rate the property is subject to, and the product obtained by
2 multiplying the tax rate by the amount of property. The list shall be accompanied by
3 an affidavit attesting to the accuracy of the list and shall be on a form prescribed by
4 the Secretary of Revenue.

5 (d2) Before May 31, 2000, the Secretary of Revenue shall distribute to the county
6 or city fifty percent (50%) of the total for each list provided the preceding December
7 1 pursuant to subsection (a2) of this section of the product obtained by multiplying
8 the applicable tax rate times the amount listed for each taxpayer. Each year
9 thereafter, on or before May 31, the Secretary of Revenue shall pay to each county
10 and city the amount it received under this subsection in 2000."

11 Section 5. G.S. 105-328 reads as rewritten:

12 **"§ 105-328. Listing, appraisal, and assessment of property subject to taxation by cities**
13 **and towns situated in more than one county.**

14 (a) ~~For~~ Except as provided in subsection (a1) of this section, for purposes of
15 municipal taxation, all property subject to taxation by a city or town situated in two
16 or more counties may, by resolution of the governing body of the municipality, be
17 listed, appraised, and assessed as provided in G.S. 105-326 and 105-327 if, in such a
18 case, in the opinion of the governing body, the same appraisal and assessment
19 standards will thereby apply uniformly throughout the municipality. However, if, in
20 such a case, the governing body ~~shall determine~~ determines that adoption of the
21 appraisals and assessments fixed by the counties will not result in uniform appraisals
22 and assessments throughout the municipality, the governing body may, by horizontal
23 adjustments, equalize the appraisal and assessment values fixed by the counties in
24 order to obtain the required uniformity. Taxes levied by the city or town shall be
25 levied uniformly on the assessments so determined.

26 (a1) This section does not apply to assessments of property that differ in any of
27 the counties in which the city or town is located because of a local option adjustment
28 in the homestead exclusion under G.S. 105-277.1(a1).

29 (b) Should the governing body of a city or town situated in two or more counties
30 not adopt the procedure provided in subsection ~~(a), above,~~ (a) of this section, all
31 property subject to taxation by the municipality shall be listed, appraised, and
32 assessed as provided in subdivisions (b)(1) through (b)(6), below.

33 (1) The governing body of the city or town shall appoint a municipal
34 assessor on or before the first Monday in July in each
35 odd-numbered year. The governing body may remove the
36 municipal assessor from office during his term for good cause after
37 giving him notice in writing and an opportunity to appear and be
38 heard at a public session of the appointing body. Whenever a
39 vacancy occurs in the office, the governing body shall appoint a
40 qualified person to serve as municipal assessor for the period of the
41 unexpired term. Persons holding the position of municipal assessor
42 on July 1, 1971, shall be deemed qualified to fill the position. A
43 person appointed as a municipal assessor shall meet the

1 qualifications and requirements set for a county assessor under
2 G.S. 105-294.

3 (2) With the approval of the governing body, a municipal assessor may
4 employ testers, appraisers, and clerical assistants necessary to carry
5 out the listing, appraisal, assessing, and billing functions required
6 by law.

7 (3) A municipal assessor and the persons employed by him have the
8 same powers and duties as their county equivalents with respect to
9 property subject to taxation by a city or town.

10 (4) The governing body shall, with respect to property subject to city
11 or town taxation, be vested with the powers and duties vested by
12 this Subchapter in boards of county commissioners and boards of
13 equalization and review. Appeals may be taken from the municipal
14 board of equalization and review or governing body to the
15 Property Tax Commission in the manner provided in this
16 Subchapter for appeals from county boards of equalization and
17 review and boards of county commissioners.

18 (5) All expenses incident to the listing, appraisal, and assessment of
19 property for the purpose of city or town taxation shall be borne by
20 the municipality for whose benefit the work is undertaken.

21 (6) The intent of this subsection (b) is to provide cities and towns that
22 are situated in two or more counties with machinery for listing,
23 appraising, and assessing property for municipal taxation
24 equivalent to that established by this Subchapter for counties. The
25 powers to be exercised by, the duties imposed on, and the possible
26 penalties against municipal governing bodies, boards of
27 equalization and review, assessors, and persons employed by an
28 assessor shall be the same as those provided in this Subchapter by,
29 on, or against county boards of commissioners, boards of
30 equalization and review, assessors, and persons employed by an
31 assessor."

32 Section 6. The amendment set out in Section 2 of this act shall be
33 submitted to the qualified voters of the State at the statewide general election to be
34 held in 2000. The election shall be conducted under the laws then governing
35 elections in the State. Ballots, voting systems, or both may be used in accordance with
36 Chapter 163 of the General Statutes. The question to be used in the voting systems
37 and ballots shall be:

38 "[] FOR [] AGAINST

39 Constitutional amendment authorizing the General Assembly to allow
40 counties to (1) increase the property tax exemption for a residence owned by a low-
41 income elderly or disabled person and (2) raise the definition of 'low-income' so
42 more elderly and disabled persons can qualify for the exemption."

43 Section 7. If a majority of the votes cast on the question are in favor of
44 the amendment set out in Section 2 of this act, the State Board of Elections shall

1 certify the amendment to the Secretary of State. The amendment becomes effective
2 upon this certification. The Secretary of State shall enroll the amendment so
3 certified among the permanent records of that office.

4 Section 8. The catch line of G.S. 105-277.1 reads as rewritten:

5 "**§ 105-277.1. Property ~~classified for taxation at reduced valuation.~~ tax homestead**
6 **exclusion.**"

7 Section 9. The catch line of G.S. 105-277.1A reads as rewritten:

8 "**§ 105-277.1A. Property ~~classified for taxation at reduced valuation, duties of tax~~**
9 **~~collectors; tax homestead exclusion; reimbursement of localities for portion of tax~~**
10 **lost.**"

11 Section 10. Sections 1 and 4.1 of this act become effective for taxes
12 imposed for taxable years beginning on or after July 1, 1999. Sections 3, 4, and 5 of
13 this act become effective only if the constitutional amendment proposed by Section 2
14 of this act is approved as provided in Sections 6 and 7 of this act. If the
15 constitutional amendment is approved, Sections 3, 4, and 5 of this act become
16 effective when the State Board of Elections certifies the amendment to the Secretary
17 of State. The remainder of this act is effective when it becomes law.

**1998 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Mitchell, Baker, Carpenter for the Permanent Subcommittee on Natural and Economic Resources of the Standing Committee on APPROPRIATIONS.

^{HOUSE #2}
☒ Committee Substitute for

S.B. 421

☐ A BILL TO BE ENTITLED AN ACT TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION INCOME THRESHOLD TO TWENTY THOUSAND DOLLARS WITH FIFTY PERCENT REIMBURSEMENT TO LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS, AND TO AMEND THE CONSTITUTION OF NORTH CAROLINA, IF APPROVED BY THE VOTERS IN THE 2000 GENERAL ELECTION, TO AUTHORIZE THE GENERAL ASSEMBLY TO ENACT LEGISLATION ALLOWING EACH COUNTY TO (I) INCREASE THE AMOUNT OF THE PROPERTY TAX HOMESTEAD EXEMPTION FOR LOW-INCOME ELDERLY AND DISABLED INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE DEFINITION OF "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill which changes the title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: -----

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY TO THE FLOOR OF THE HOUSE:

Reps. Holmes, Esposito, Creech and Crawford for the Standing Committee on APPROPRIATIONS.

George M. Holmes

- ☐ With a favorable report.
- ☐ With a favorable report, as amended.
- ☒ With a favorable report as to ^{HOUSE} committee substitute bill (# 3), ☒ which changes the title, unfavorable as to original bill (Committee Substitute Bill # 2). (and recommendation that the committee-substitute bill-(#-----) be referred to the Committee on-----.)
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

Minutes

House Appropriations Sub-Committee on

Natural and Economic Resources

October 21, 1998 - 4:50 p.m.

The House Appropriations Sub-Committee on Natural and Economic Resources met Wednesday, October 21, 1998 at 4:50 p.m. in Room 605 of the Legislative Office Building. Representative Frank Mitchell, Co-Chair, called the meeting to order at 4:50 p.m. Members present were Representatives Mitchell, Baker, Carpenter, Owens, Allen, Culp, Hall, Hunter, Tolson and Weatherly.

After introductions, the proposed committee substitute for Senate Bill 421 entitled Homestead Property Tax Relief was explained by Martha Harris of the Bill Drafting Division (see Attachment A, original bill Attachment B). She noted the original bill contains the constitutional amendment and the reimbursement to the counties, and proposed committee substitute only contains the constitutional amendment. Representative Mitchell asked if there is a date change included in the proposed committee substitute. Ms. Harris replied the dates was changed to November, 2000 for the referendum. Representative Baker noted the budget conferees have agreed to the proposed committee substitute, and it is important that the Sub-Committee approve the proposed committee substitute so that the House can vote on the issue. Representative Baker made a motion to give the proposed committee substitute a favorable report, unfavorable to the original bill. Representative Owens voiced his opposition to the proposed committee substitute. Representative Weatherly asked if the bill will require three fifths vote in order to pass the House. Representative Mitchell replied the bill will require 72 votes (3/5 majority) in order to pass. Representative Tolson asked if the proposed committee substitute is an agreement by the budget conferees. Representative Mitchell replied it was an agreement. Representative Baker added the agreement was the House members be allowed to vote on the bill. Representative Allen asked if the bill was identical to the Senate's version. Representative Mitchell replied it was identical to the Senate's bill that was received by the House in 1997. Representative Hall asked if this would leave it up to the individual counties to determine their own exemption. Representative Mitchell replied that was correct. Representative Baker clarified the proposed committee substitute only requires a vote in the 2000 election to approved a constitutional amendment. Representative Culp asked if the reimbursement to the counties is 50%. Representative Mitchell replied the reimbursement is 90%. Ms. Harris clarified the counties are receiving less than 50% reimbursement this year. and the amount is frozen. Representative Mitchell noted the bill would require three fifths vote by the House on two calendar days and be returned to the Senate for concurrence. Representative Owens noted how the proposed legislation would cause an inequity from county to county. Ed Regan, lobbyist for the N.C. Association of County Commissioners, voiced the Association's opposition to the constitutional amend-

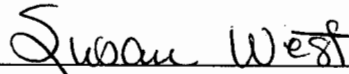
ment, and noted this will ultimately affect the uniformity of property taxes in the State. Representative Mitchell asked Mr. Regan if he voiced his opposition when the bill was in the Senate. Mr. Regan replied he did. Representative Mitchell continued by asking if there was enough support in the Senate to pass the bill. Mr. Regan replied there was. Representative Carpenter asked if the legislation would ultimately increase the property tax rates. Mr. Regan replied it would probably increase the rate. Representative Weatherly noted the legislation will probably be amended during the next Session, and urged the Sub-Committee members to support the motion. Representative Baker voiced his concern of the opposite happening. Mr. Regan noted the opposite scenario could occur and is a valid concern. Representative Owens asked Mr. Regan how many counties were in favor of this proposal. Mr. Regan replied he didn't know of any county in the State that supported the proposal. Representative Allen asked who originally sponsored the bill in the Senate. Representative Mitchell replied the Senate bill sponsor was Senator Roy Cooper. Representative Hall voiced his concern for low wealth counties. Representative Mitchell restated the motion. By voice vote, the motion carried.

The meeting adjourned at 5:05 p.m.

Respectfully submitted,



Frank Mitchell
Co-Chair



Susan West
Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 421

House Committee Substitute Favorable 8/24/98

House Committee Substitute #2 Favorable 10/15/98

House Committee Substitute #3 Favorable 10/19/98

Proposed House Committee Substitute S421-PCS2917-LC

Short Title: Local Option Homestead Exemption.

(Public)

Sponsors:

Referred to:

March 18, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE CONSTITUTION OF NORTH CAROLINA, IF
3 APPROVED BY THE VOTERS IN THE 2000 GENERAL ELECTION, TO
4 AUTHORIZE THE GENERAL ASSEMBLY TO ENACT LEGISLATION
5 ALLOWING EACH COUNTY TO, WITHOUT REIMBURSEMENT, (I)
6 INCREASE THE AMOUNT OF THE PROPERTY TAX HOMESTEAD
7 EXEMPTION FOR LOW-INCOME ELDERLY AND DISABLED
8 INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE DEFINITION OF
9 "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED
10 INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.
11 The General Assembly of North Carolina enacts:
12 Section 1. Section 2 of Article V of the North Carolina Constitution is
13 amended by adding a new subsection to read:
14 "(8) Property tax homestead exclusion. If the General Assembly enacts legislation
15 classifying and excluding from ad valorem taxation part of the value of the residence
16 of each elderly or disabled individual whose income is below a maximum amount
17 and who satisfies other conditions, the General Assembly may, notwithstanding
18 subsection (2) of this section, enact a general law uniformly applicable throughout the
19 State authorizing each county to increase the portion of a classified residence's value
20 that is excluded in that county and to increase the maximum income threshold to
21 qualify for the exclusion in that county."

1 Section 2. G.S. 105-277.1 is amended by adding a new subsection to read:
2 "(a1) Local Option Increase. -- The board of commissioners of a county may, by
3 resolution, increase the amount of the exclusion provided in subsection (a) of this
4 section, increase the maximum income threshold provided in subdivision (a)(2) of
5 this section, or both. An increase adopted under this subsection shall apply
6 uniformly within the county. The board of commissioners of a county may, by
7 resolution, repeal or reduce an increase adopted under this subsection, but may not
8 reduce the exclusion or the income threshold provided in subsection (a) of this
9 section. A resolution changing the exclusion amount or the income threshold within
10 a county pursuant to this subsection shall become effective no earlier than for the
11 taxable year beginning July 1 following adoption of the resolution."

12 Section 3. G.S. 105-309(f) reads as rewritten:

13 "(f) The following information shall appear on each abstract or on an information
14 sheet distributed with the abstract. If the county has increased the exclusion amount
15 or the income threshold pursuant to G.S. 105-277.1(a1), the assessor shall substitute
16 the applicable dollar amounts. The abstract or sheet must include the address and
17 telephone number of the assessor below the notice required by this subsection. The
18 notice shall read as follows:

19
20 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
21 **PERMANENTLY DISABLED PERSONS.**
22

23 North Carolina excludes from property taxes the first twenty thousand dollars
24 (\$20,000) in appraised value of a permanent residence owned and occupied by North
25 Carolina residents aged 65 or older or totally and permanently disabled whose
26 income does not exceed fifteen thousand dollars (\$15,000). Income means the
27 owner's adjusted gross income as determined for federal income tax purposes, plus all
28 moneys received other than gifts or inheritances received from a spouse, lineal
29 ancestor or lineal descendant.

30 If you received this exclusion in (assessor insert previous year), you do not need to
31 apply again unless you have changed your permanent residence. If you received the
32 exclusion in (assessor insert previous year) and your income in (assessor insert
33 previous year) was above fifteen thousand dollars (\$15,000), you must notify the
34 assessor. If you received the exclusion in (assessor insert previous year) because you
35 were totally and permanently disabled and you are no longer totally and permanently
36 disabled, you must notify the assessor. If the person receiving the exclusion in
37 (assessor insert previous year) has died, the person required by law to list the
38 property must notify the assessor. Failure to make any of the notices required by this
39 paragraph before April 15 will result in penalties and interest.

40 If you did not receive the exclusion in (assessor insert previous year) but are now
41 eligible, you may obtain a copy of an application from the assessor. It must be filed
42 by April 15."

43 Section 4. G.S. 105-328 reads as rewritten:

1 "§ 105-328. Listing, appraisal, and assessment of property subject to taxation by cities
2 and towns situated in more than one county.

3 (a) ~~For~~ Except as provided in subsection (a1) of this section, for purposes of
4 municipal taxation, all property subject to taxation by a city or town situated in two
5 or more counties may, by resolution of the governing body of the municipality, be
6 listed, appraised, and assessed as provided in G.S. 105-326 and 105-327 if, in such a
7 case, in the opinion of the governing body, the same appraisal and assessment
8 standards will thereby apply uniformly throughout the municipality. However, if, in
9 such a case, the governing body ~~shall determine~~ determines that adoption of the
10 appraisals and assessments fixed by the counties will not result in uniform appraisals
11 and assessments throughout the municipality, the governing body may, by horizontal
12 adjustments, equalize the appraisal and assessment values fixed by the counties in
13 order to obtain the required uniformity. Taxes levied by the city or town shall be
14 levied uniformly on the assessments so determined.

15 (a1) This section does not apply to assessments of property that differ in any of
16 the counties in which the city or town is located because of a local option adjustment
17 in the homestead exclusion under G.S. 105-277.1(a1).

18 (b) Should the governing body of a city or town situated in two or more counties
19 not adopt the procedure provided in subsection ~~(a), above,~~ (a) of this section, all
20 property subject to taxation by the municipality shall be listed, appraised, and
21 assessed as provided in subdivisions (b)(1) through (b)(6), below.

22 (1) The governing body of the city or town shall appoint a municipal
23 assessor on or before the first Monday in July in each
24 odd-numbered year. The governing body may remove the
25 municipal assessor from office during his term for good cause after
26 giving him notice in writing and an opportunity to appear and be
27 heard at a public session of the appointing body. Whenever a
28 vacancy occurs in the office, the governing body shall appoint a
29 qualified person to serve as municipal assessor for the period of the
30 unexpired term. Persons holding the position of municipal assessor
31 on July 1, 1971, shall be deemed qualified to fill the position. A
32 person appointed as a municipal assessor shall meet the
33 qualifications and requirements set for a county assessor under
34 G.S. 105-294.

35 (2) With the approval of the governing body, a municipal assessor may
36 employ testers, appraisers, and clerical assistants necessary to carry
37 out the listing, appraisal, assessing, and billing functions required
38 by law.

39 (3) A municipal assessor and the persons employed by him have the
40 same powers and duties as their county equivalents with respect to
41 property subject to taxation by a city or town.

42 (4) The governing body shall, with respect to property subject to city
43 or town taxation, be vested with the powers and duties vested by
44 this Subchapter in boards of county commissioners and boards of

1 equalization and review. Appeals may be taken from the municipal
2 board of equalization and review or governing body to the
3 Property Tax Commission in the manner provided in this
4 Subchapter for appeals from county boards of equalization and
5 review and boards of county commissioners.

6 (5) All expenses incident to the listing, appraisal, and assessment of
7 property for the purpose of city or town taxation shall be borne by
8 the municipality for whose benefit the work is undertaken.

9 (6) The intent of this subsection (b) is to provide cities and towns that
10 are situated in two or more counties with machinery for listing,
11 appraising, and assessing property for municipal taxation
12 equivalent to that established by this Subchapter for counties. The
13 powers to be exercised by, the duties imposed on, and the possible
14 penalties against municipal governing bodies, boards of
15 equalization and review, assessors, and persons employed by an
16 assessor shall be the same as those provided in this Subchapter by,
17 on, or against county boards of commissioners, boards of
18 equalization and review, assessors, and persons employed by an
19 assessor."

20 Section 5. The amendment set out in Section 1 of this act shall be
21 submitted to the qualified voters of the State at the statewide general election to be
22 held in 2000. The election shall be conducted under the laws then governing
23 elections in the State. Ballots, voting systems, or both may be used in accordance with
24 Chapter 163 of the General Statutes. The question to be used in the voting systems
25 and ballots shall be:

26 "[] FOR [] AGAINST

27 Constitutional amendment authorizing the General Assembly to allow
28 counties to (1) increase the property tax exemption for a residence owned by a low-
29 income elderly or disabled person and (2) raise the definition of 'low-income' so
30 more elderly and disabled persons can qualify for the exemption."

31 Section 6. If a majority of the votes cast on the question are in favor of
32 the amendment set out in Section 1 of this act, the State Board of Elections shall
33 certify the amendment to the Secretary of State. The amendment becomes effective
34 upon this certification. The Secretary of State shall enroll the amendment so
35 certified among the permanent records of that office.

36 Section 7. Sections 2, 3, and 4 of this act become effective only if the
37 constitutional amendment proposed by Section 1 of this act is approved as provided
38 in Sections 5 and 6 of this act. If the constitutional amendment is approved, Sections
39 2, 3, and 4 of this act become effective when the State Board of Elections certifies the
40 amendment to the Secretary of State. The remainder of this act is effective when it
41 becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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4

SENATE BILL 421

House Committee Substitute Favorable 8/24/98
House Committee Substitute #2 Favorable 10/15/98
House Committee Substitute #3 Favorable 10/19/98

Short Title: Homestead Property Tax Relief.

(Public)

Sponsors:

Referred to:

March 18, 1997

- 1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION
3 INCOME THRESHOLD TO TWENTY THOUSAND DOLLARS WITHOUT
4 REIMBURSING LOCAL GOVERNMENTS FOR THE RESULTING REVENUE
5 LOSS, AND TO AMEND THE CONSTITUTION OF NORTH CAROLINA, IF
6 APPROVED BY THE VOTERS IN THE 2000 GENERAL ELECTION, TO
7 AUTHORIZE THE GENERAL ASSEMBLY TO ENACT LEGISLATION
8 ALLOWING EACH COUNTY TO, WITHOUT REIMBURSEMENT, (I)
9 INCREASE THE AMOUNT OF THE PROPERTY TAX HOMESTEAD
10 EXEMPTION FOR LOW-INCOME ELDERLY AND DISABLED
11 INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE DEFINITION OF
12 "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED
13 INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.
14 The General Assembly of North Carolina enacts:
15 Section 1. (a) G.S. 105-277.1(a)(2) reads as rewritten:
16 "(2) Has an income for the preceding calendar year of not more than
17 ~~fifteen thousand dollars (\$15,000).~~ twenty thousand dollars
18 (\$20,000)."
19 (b) G.S. 105-309(f) reads as rewritten:
20 "(f) The following information shall appear on each abstract or on an information
21 sheet distributed with the abstract. The abstract or sheet must include the address and

1 telephone number of the assessor below the notice required by this subsection. The
2 notice shall read as follows:

3
4 ‘PROPERTY TAX RELIEF FOR ELDERLY AND
5 PERMANENTLY DISABLED PERSONS.
6

7 North Carolina excludes from property taxes the first twenty thousand dollars
8 (\$20,000) in appraised value of a permanent residence owned and occupied by North
9 Carolina residents aged 65 or older or totally and permanently disabled whose
10 income does not exceed ~~fifteen thousand dollars (\$15,000)~~ twenty thousand dollars
11 (\$20,000). Income means the owner's adjusted gross income as determined for federal
12 income tax purposes, plus all moneys received other than gifts or inheritances
13 received from a spouse, lineal ancestor or lineal descendant.

14 If you received this exclusion in (assessor insert previous year), you do not need to
15 apply again unless you have changed your permanent residence. If you received the
16 exclusion in (assessor insert previous year) and your income in (assessor insert
17 previous year) was above ~~fifteen thousand dollars (\$15,000)~~ twenty thousand dollars
18 (\$20,000), you must notify the assessor. If you received the exclusion in (assessor
19 insert previous year) because you were totally and permanently disabled and you are
20 no longer totally and permanently disabled, you must notify the assessor. If the person
21 receiving the exclusion in (assessor insert previous year) has died, the person required
22 by law to list the property must notify the assessor. Failure to make any of the notices
23 required by this paragraph before April 15 will result in penalties and interest.

24 If you did not receive the exclusion in (assessor insert previous year) but are now
25 eligible, you may obtain a copy of an application from the assessor. It must be filed
26 by April 15."

27 (c) This section becomes effective for taxes imposed for taxable years
28 beginning on or after July 1, 1999.

29 Section 2. Section 2 of Article V of the North Carolina Constitution is
30 amended by adding a new subsection to read:

31 "(8) Property tax homestead exclusion. If the General Assembly enacts legislation
32 classifying and excluding from ad valorem taxation part of the value of the residence
33 of each elderly or disabled individual whose income is below a maximum amount
34 and who satisfies other conditions, the General Assembly may, notwithstanding
35 subsection (2) of this section, enact a general law uniformly applicable throughout the
36 State authorizing each county to increase the portion of a classified residence's value
37 that is excluded in that county and to increase the maximum income threshold to
38 qualify for the exclusion in that county."

39 Section 3. G.S. 105-277.1 is amended by adding a new subsection to read:

40 "(a1) Local Option Increase. -- The board of commissioners of a county may, by
41 resolution, increase the amount of the exclusion provided in subsection (a) of this
42 section, increase the maximum income threshold provided in subdivision (a)(2) of
43 this section, or both. An increase adopted under this subsection shall apply
44 uniformly within the county. The board of commissioners of a county may, by

1 resolution, repeal or reduce an increase adopted under this subsection, but may not
2 reduce the exclusion or the income threshold provided in subsection (a) of this
3 section. A resolution changing the exclusion amount or the income threshold within
4 a county pursuant to this subsection shall become effective no earlier than for the
5 taxable year beginning July 1 following adoption of the resolution."

6 Section 4. G.S. 105-309(f), as amended by Section 1 of this act, reads as
7 rewritten:

8 "(f) The following information shall appear on each abstract or on an information
9 sheet distributed with the abstract. If the county has increased the exclusion amount
10 or the income threshold pursuant to G.S. 105-277.1(a1), the assessor shall substitute
11 the applicable dollar amounts. The abstract or sheet must include the address and
12 telephone number of the assessor below the notice required by this subsection. The
13 notice shall read as follows:

14
15 **'PROPERTY TAX RELIEF FOR ELDERLY AND**
16 **PERMANENTLY DISABLED PERSONS.**
17

18 North Carolina excludes from property taxes the first twenty thousand dollars
19 (\$20,000) in appraised value of a permanent residence owned and occupied by North
20 Carolina residents aged 65 or older or totally and permanently disabled whose
21 income does not exceed twenty thousand dollars (\$20,000). Income means the
22 owner's adjusted gross income as determined for federal income tax purposes, plus all
23 moneys received other than gifts or inheritances received from a spouse, lineal
24 ancestor or lineal descendant.

25 If you received this exclusion in (assessor insert previous year), you do not need to
26 apply again unless you have changed your permanent residence. If you received the
27 exclusion in (assessor insert previous year) and your income in (assessor insert
28 previous year) was above twenty thousand dollars (\$20,000), you must notify the
29 assessor. If you received the exclusion in (assessor insert previous year) because you
30 were totally and permanently disabled and you are no longer totally and permanently
31 disabled, you must notify the assessor. If the person receiving the exclusion in
32 (assessor insert previous year) has died, the person required by law to list the
33 property must notify the assessor. Failure to make any of the notices required by this
34 paragraph before April 15 will result in penalties and interest.

35 If you did not receive the exclusion in (assessor insert previous year) but are now
36 eligible, you may obtain a copy of an application from the assessor. It must be filed
37 by April 15."

38 Section 5. G.S. 105-328 reads as rewritten:

39 **"§ 105-328. Listing, appraisal, and assessment of property subject to taxation by cities**
40 **and towns situated in more than one county.**

41 (a) ~~For~~ Except as provided in subsection (a1) of this section, for purposes of
42 municipal taxation, all property subject to taxation by a city or town situated in two
43 or more counties may, by resolution of the governing body of the municipality, be
44 listed, appraised, and assessed as provided in G.S. 105-326 and 105-327 if, in such a

1 case, in the opinion of the governing body, the same appraisal and assessment
2 standards will thereby apply uniformly throughout the municipality. However, if, in
3 such a case, the governing body ~~shall determine~~ determines that adoption of the
4 appraisals and assessments fixed by the counties will not result in uniform appraisals
5 and assessments throughout the municipality, the governing body may, by horizontal
6 adjustments, equalize the appraisal and assessment values fixed by the counties in
7 order to obtain the required uniformity. Taxes levied by the city or town shall be
8 levied uniformly on the assessments so determined.

9 (a1) This section does not apply to assessments of property that differ in any of
10 the counties in which the city or town is located because of a local option adjustment
11 in the homestead exclusion under G.S. 105-277.1(a1).

12 (b) Should the governing body of a city or town situated in two or more counties
13 not adopt the procedure provided in subsection ~~(a), above,~~ (a) of this section, all
14 property subject to taxation by the municipality shall be listed, appraised, and
15 assessed as provided in subdivisions (b)(1) through (b)(6), below.

16 (1) The governing body of the city or town shall appoint a municipal
17 assessor on or before the first Monday in July in each
18 odd-numbered year. The governing body may remove the
19 municipal assessor from office during his term for good cause after
20 giving him notice in writing and an opportunity to appear and be
21 heard at a public session of the appointing body. Whenever a
22 vacancy occurs in the office, the governing body shall appoint a
23 qualified person to serve as municipal assessor for the period of the
24 unexpired term. Persons holding the position of municipal assessor
25 on July 1, 1971, shall be deemed qualified to fill the position. A
26 person appointed as a municipal assessor shall meet the
27 qualifications and requirements set for a county assessor under
28 G.S. 105-294.

29 (2) With the approval of the governing body, a municipal assessor may
30 employ testers, appraisers, and clerical assistants necessary to carry
31 out the listing, appraisal, assessing, and billing functions required
32 by law.

33 (3) A municipal assessor and the persons employed by him have the
34 same powers and duties as their county equivalents with respect to
35 property subject to taxation by a city or town.

36 (4) The governing body shall, with respect to property subject to city
37 or town taxation, be vested with the powers and duties vested by
38 this Subchapter in boards of county commissioners and boards of
39 equalization and review. Appeals may be taken from the municipal
40 board of equalization and review or governing body to the
41 Property Tax Commission in the manner provided in this
42 Subchapter for appeals from county boards of equalization and
43 review and boards of county commissioners.

(5) All expenses incident to the listing, appraisal, and assessment of property for the purpose of city or town taxation shall be borne by the municipality for whose benefit the work is undertaken.

(6) The intent of this subsection (b) is to provide cities and towns that are situated in two or more counties with machinery for listing, appraising, and assessing property for municipal taxation equivalent to that established by this Subchapter for counties. The powers to be exercised by, the duties imposed on, and the possible penalties against municipal governing bodies, boards of equalization and review, assessors, and persons employed by an assessor shall be the same as those provided in this Subchapter by, on, or against county boards of commissioners, boards of equalization and review, assessors, and persons employed by an assessor."

Section 6. The amendment set out in Section 2 of this act shall be submitted to the qualified voters of the State at the statewide general election to be held in 2000. The election shall be conducted under the laws then governing elections in the State. Ballots, voting systems, or both may be used in accordance with Chapter 163 of the General Statutes. The question to be used in the voting systems and ballots shall be:

"[] FOR [] AGAINST

Constitutional amendment authorizing the General Assembly to allow counties to (1) increase the property tax exemption for a residence owned by a low-income elderly or disabled person and (2) raise the definition of 'low-income' so more elderly and disabled persons can qualify for the exemption."

Section 7. If a majority of the votes cast on the question are in favor of the amendment set out in Section 2 of this act, the State Board of Elections shall certify the amendment to the Secretary of State. The amendment becomes effective upon this certification. The Secretary of State shall enroll the amendment so certified among the permanent records of that office.

Section 8. The catch line of G.S. 105-277.1 reads as rewritten:

"§ 105-277.1. ~~Property classified for taxation at reduced valuation.~~ tax homestead exclusion."

Section 9. The catch line of G.S. 105-277.1A reads as rewritten:

"§ 105-277.1A. ~~Property classified for taxation at reduced valuation; duties of tax collectors;~~ tax homestead exclusion; reimbursement of localities for portion of tax lost."

Section 10. Section 1 of this act becomes effective for taxes imposed for taxable years beginning on or after July 1, 1999. Sections 3, 4, and 5 of this act become effective only if the constitutional amendment proposed by Section 2 of this act is approved as provided in Sections 6 and 7 of this act. If the constitutional amendment is approved, Sections 3, 4, and 5 of this act become effective when the State Board of Elections certifies the amendment to the Secretary of State. The remainder of this act is effective when it becomes law.

**1998 PERMANENT SUBCOMMITTEE REPORT
HOUSE OF REPRESENTATIVES**

FOR RECOMMENDING BILLS TO STANDING COMMITTEE OR TO THE FLOOR OF THE HOUSE
The following report(s) from permanent sub committee(s) is/are presented:

By Representative(s) Mitchell, Baker, Carpenter for the Permanent Subcommittee on Natural and Economic Resources of the Standing Committee on APPROPRIATIONS.

☒ House Committee Substitute #3 for

S. B. 421

☐ A BILL TO BE ENTITLED AN ACT TO INCREASE THE PROPERTY TAX HOMESTEAD EXEMPTION INCOME THRESHOLD TO TWENTY THOUSAND DOLLARS WITHOUT REIMBURSING LOCAL GOVERNMENTS FOR THE RESULTING REVENUE LOSS, AND TO AMEND THE CONSTITUTION OF NORTH CAROLINA, IF APPROVED BY THE VOTERS IN THE 2000 GENERAL ELECTION, TO AUTHORIZE THE GENERAL ASSEMBLY TO ENACT LEGISLATION ALLOWING EACH COUNTY TO, WITHOUT REIMBURSEMENT, (I) INCREASE THE AMOUNT OF THE PROPERTY TAX HOMESTEAD EXEMPTION FOR LOW-INCOME ELDERLY AND DISABLED INDIVIDUALS IN THAT COUNTY AND (II) RAISE THE DEFINITION OF "LOW-INCOME" SO THAT MORE ELDERLY AND DISABLED INDIVIDUALS CAN QUALIFY FOR THE EXEMPTION.

REPORTED TO THE STANDING COMMITTEE ON

RECOMMENDED ACTION:

- ☐ With a favorable recommendation.
- ☐ With a favorable recommendation and recommend that the bill be re-referred to the Committee on
- ☐ With a favorable recommendation, as amended.
- ☐ With a favorable recommendation, as amended, and recommend that the bill be re-referred to the Committee on
- ☐ With an unfavorable recommendation.
- ☐ With a favorable recommendation as to proposed committee substitute bill which changes the title, unfavorable as to original bill.
- ☐ With a favorable recommendation as to proposed House committee substitute bill, which changes the title, unfavorable as to Senate committee substitute bill.
- ☐ Without prejudice.
- ☐ Other recommended action: _____

WITH APPROVAL OF STANDING COMMITTEE CHAIR FOR REPORT TO BE MADE DIRECTLY TO THE FLOOR OF THE HOUSE:

Rep. for the Standing Committee on APPROPRIATIONS
Holmes, Cuccin, Esposito, Crawford

s/ George M. Holmes

- ☐ With a favorable report.
- ☐ With a favorable report, as amended.
- ☒ With a favorable report as to ^{House}committee substitute bill (# 4), ☒ which changes the title, unfavorable as to ~~original bill~~ ^{House}Committee Substitute Bill # 3. ~~(and recommendation that the committee substitute bill (#) be referred to the Committee on)~~
- ☐ And having received a unanimous vote in committee, be placed on the Consent Calendar.
(PUBLIC BILLS ONLY)

3/25/98

Box 13

1. 1997 House Appropriations – Transportation
2. 1998 House Appropriations – Transportation
3. 1997 House Agriculture
4. 1998 House Agriculture
5. 1997 House Commerce
6. 1997 House Commerce – Business & Labor
7. 1997 House Commerce – Financial Institutions
8. 1997-98 House Commerce – Public Utilities
9. 1997 House Commerce – Travel & Tourism
10. 1998 House Commerce
11. 1997 House Congressional Redistricting
12. 1998 House Congressional Redistricting
13. 1997 House Education