

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 687
SENATE BILL 730

AN ACT TO EXTEND SOME OR ALL OF THE PROVISIONS OF THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT TO NONPROFIT CORPORATIONS RECEIVING MONEYS FROM COUNTIES AND CITIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. Chapter 159, Article 3 is amended by adding a new Part 5, to read as follows:

"PART 5.

"Nonprofit Corporations Receiving Public Funds.

"§ 159-40. Special regulations pertaining to nonprofit corporations receiving public funds. — (a) If a county or city grants or appropriates one thousand dollars (\$1,000) or more in any fiscal year to a nonprofit corporation, to be used for public purposes for that fiscal year, the nonprofit corporation is subject to this Article as provided in this section.

(b) Such a nonprofit corporation is subject to G.S. 159-34, regarding the annual independent audit. The audit shall cover all accounts of the nonprofit corporation and shall be conducted for the fiscal year of the corporation in which the money is received, which need not be the same fiscal year as required by G.S. 159-8. The chief financial official of the nonprofit corporation shall file a copy of the audit report with the finance officer of each county or city granting or appropriating moneys to the corporation for the fiscal year covered by the audit report.

(c) If grants and appropriations from one or more counties or cities comprise twenty-five percent (25%) or more of the fiscal year's receipts of the nonprofit corporation, or if the total amount of grants and appropriations from the federal government, the State government, and one or more counties or cities comprise fifty percent (50%) or more of the fiscal year's receipts of the nonprofit corporation, the corporation is deemed a public authority for purposes of this Article and is fully subject to each provision of the Article applying to public authorities.

(d) Notwithstanding the provisions of subsections (b) and (c) of this section, neither nonprofit corporations that own or operate hospitals, nor volunteer fire departments, rescue squads, and ambulance squads organized as nonprofit corporations, nor nonprofit corporations which are primarily involved in travel and leisure operations shall be subject to this Article."

Sec. 2. This act shall become effective July 1, 1977.

In the General Assembly read three times and ratified, this the 22nd day of June, 1977.