

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1166*
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted
4/18/07

Short Title: Modify Laws Re: Real Property Commission. (Public)

Sponsors:

Referred to:

March 22, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A REAL PROPERTY COMMISSION WITH THE
3 RESPONSIBILITY TO IDENTIFY UNDERUTILIZED, SELDOM USED, OR
4 UNUSED STATE PROPERTY, IDENTIFY PROPERTIES THAT ARE NOT
5 COST-EFFICIENT BASED ON THEIR CURRENT USE, AND OVERSEE THE
6 OPERATION OF THE STATE SURPLUS PROPERTY DISPOSAL SYSTEM.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. Chapter 143 of the General Statutes is amended by adding a
9 new Article to read:

10 "Article 78A.

11 "State Real Property Commission.

12 "**§ 143-738. Purpose and establishment of State Real Property Commission.**

13 There is created the State Real Property Commission. The Commission shall be
14 located administratively within the Department of Administration but shall carry out its
15 statutory powers and duties independently of the Department of Administration.

16 The Commission shall continually evaluate the use of the State's real property
17 holdings, oversee the database that catalogues the State's real property holdings, and
18 examine the use, transfer, and disposition of the State's real property holdings, thus
19 ensuring State real property is fully utilized.

20 "**§ 143-739. Commission membership, officers, compensation.**

21 (a) Commission Membership. – The Commission shall consist of nine members
22 qualified and appointed as follows:

23 (1) Three members appointed by the Governor, including one
24 representative of a Cabinet agency; one licensed real estate appraiser
25 whose primary practice is to appraise commercial property; and one
26 public member experienced in environmental protection;

27 (2) Three members appointed by the General Assembly upon the
28 recommendation of the Speaker of the House of Representatives in

1 accordance with G.S. 120-121, including one representative of a
2 Council of State agency; one representative of local government
3 chosen from two persons nominated by the North Carolina Association
4 of County Commissioners and two persons nominated by the North
5 Carolina League of Municipalities; and one public member who is a
6 real estate developer; and

7 (3) Three members appointed by the General Assembly upon the
8 recommendation of the President Pro Tempore of the Senate in
9 accordance with G.S. 120-121, including one public member who is a
10 licensed real estate broker whose primary practice is in locating or
11 selling commercial land; one chosen from among not more than three
12 persons nominated by the Board of Governors of The University of
13 North Carolina who is a university employee currently involved in the
14 oversight of real property; and one public member who demonstrates
15 special interest, experience, or education in the preservation of historic
16 properties.

17 No member of the Commission may be a member of the Senate or of the House of
18 Representatives. No member, immediate family member of a member, or business
19 associate of a member shall be involved in or benefit from any sale of State-owned
20 property under this Article.

21 (b) Terms. – The members shall be appointed for staggered three-year terms. The
22 initial appointments to the Commission shall be made within 15 days of the effective
23 date of this act. The terms of one of the initial members appointed pursuant to
24 subdivision (a)(1) of this section, one of the initial members appointed pursuant to
25 subdivision (a)(2) of this section, and one of the initial members appointed pursuant to
26 subdivision (a)(3) of this section shall be for one year. The terms of one of the initial
27 members appointed pursuant to subdivision (a)(1) of this section, one of the initial
28 members appointed pursuant to subdivision (a)(2) of this section, and one of the initial
29 members appointed pursuant to subdivision (a)(3) of this section shall be for two years.
30 The terms of the remainder of the initial members shall be for three years. Members
31 may serve no more than six consecutive years.

32 (c) Removal; Vacancies. – A member of the Commission may be removed with
33 or without cause by the appointing authority. In addition, a majority of the Commission
34 members may, by majority vote, remove a member of the Commission if that member
35 does not attend at least three-fourths of the regularly scheduled meetings of the
36 Commission during any consecutive 12-month period of service of that member on the
37 Commission, except that absences excused by the Commission due to serious medical
38 or family circumstances shall not be considered. If the Commission votes to remove a
39 member under this subsection, the vacancy shall be filled in the same manner as the
40 original appointment. Appointments to fill vacancies shall be made for the remainder of
41 the unexpired term by the respective appointing authority. All members shall serve until
42 their successors are appointed and qualified, unless removed from office.

43 (d) Officers. – The Secretary of the Department of Administration shall serve as
44 ex officio chairman of the Commission as a nonvoting member of the Commission.

1 (e) Compensation. – Members of the Commission who are not State officers or
2 employees shall receive per diem of one hundred dollars (\$100.00) a day when the
3 Commission meets and shall be reimbursed for travel and subsistence as provided in
4 G.S. 138-5. Members who are State officers or employees shall be reimbursed for travel
5 and subsistence as provided in G.S. 138-6.

6 **"§ 143-740. Duties and functions.**

7 (a) The State Real Property Commission shall do all of the following:

- 8 (1) Oversee the operation of the State Surplus Property Disposal System
9 and make recommendations for maintaining and operating the system.
- 10 (2) Continuously study and recommend ways to improve the effectiveness
11 and efficiency of identifying, disposing, and managing the State's real
12 property.
- 13 (3) Consult with State agencies, real estate salespersons and brokers, real
14 estate appraisers, and other knowledgeable persons in determining the
15 Commission's recommendations.
- 16 (4) Evaluate the functional use of State property and classify property into
17 one of the five following classifications:
 - 18 a. Property that is critical to the mission of a State agency.
 - 19 b. Property that is not cost-efficient based on current use.
 - 20 c. Property that is underutilized.
 - 21 d. Property that is seldom used.
 - 22 e. Property that has no current use or future use.
- 23 (5) Receive comments from the agency to which property is allocated
24 before making a determination or recommendation regarding the
25 property.
- 26 (6) Determine that property is both surplus and suitable for sale on the
27 private market only if it is free from deed restriction and
28 environmental problems limiting its use.
- 29 (7) Recommend the sale and leaseback of the property or the transfer of
30 property to another State agency.
- 31 (8) Appoint an advisory board, if the Commission deems it necessary, to
32 assist the Commission in its work. No one other than the Commission
33 may appoint an advisory board to assist or advise the Commission in
34 its work.
- 35 (9) Establish subcommittees for the purpose of making special studies
36 pursuant to its duties and appoint non-Commission members to serve
37 on each subcommittee as resource persons, if the Commission deems it
38 necessary. Subcommittee resource persons shall be voting members of
39 the subcommittee and shall receive subsistence and travel expenses in
40 accordance with G.S. 138-5 and G.S. 138-6.
- 41 (10) Perform the duties under this Article.

42 **"§ 143-741. Staffing and meeting requirements.**

1 (a) The State Property Office of the Department of Administration shall provide
2 staff to the State Real Property Commission. The Commission shall provide direction to
3 the State Property Office on its work for the Commission.

4 (b) The Commission shall meet at least once a quarter and may meet at other
5 times upon the call of the chair or upon call of at least five members. A majority of the
6 members of the Commission shall constitute a quorum for the transaction of business.
7 The affirmative vote of a majority of the members present at meetings of the
8 Commission shall be necessary for action to be taken by the Commission.

9 "**§ 143-742. Reporting requirements.**

10 Reporting. – The Commission shall report on its activities by February 1 of each
11 year to the Governor and the Joint Legislative Commission on Governmental
12 Operations.

13 "**§ 143-743. Rule-making authority.**

14 The Commission shall adopt rules for the administration of this Article, including
15 rules regarding the participation of real estate brokers and rules that further define the
16 classification of State real property."

17 **SECTION 2.** There is appropriated from the General Fund to the
18 Department of Administration the sum of one hundred thirty-seven thousand five
19 hundred dollars (\$137,500) for the 2007-2008 fiscal year and the sum of one hundred
20 thirty thousand dollars (\$130,000) for the 2008-2009 fiscal year. Of these funds, the
21 sum of twenty thousand dollars (\$20,000) shall be used each year for the operation of
22 the Commission; the remainder shall be used for the creation of two Real Property
23 Agent II positions dedicated to the identification and disposition of State land.

24 **SECTION 3.** This act becomes effective July 1, 2007.