

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

**SENATE BILL 309
RATIFIED BILL**

**AN ACT TO AUTHORIZE THE GOVERNING BOARD OF ANY SOIL AND WATER
CONSERVATION DISTRICT TO ESTABLISH A SPECIAL RESERVE FUND TO BE
USED FOR MAINTAINING CONSERVATION EASEMENTS.**

Whereas, North Carolina is and always has been a leader in soil and water conservation, with the nation's first soil and water conservation district established in Brown Creek, Anson County, under the leadership of Dr. Hugh Hammond Bennett, the "father of soil conservation" in the United States; and

Whereas, soil and water conservation districts continue into the 21st century to provide a critical voluntary, nonregulatory means to enhance conservation values of private lands, including much of the State's agricultural and timber lands; and

Whereas, conservation easements provide an increasingly important way that soil and water conservation districts, along with other units of State and local government and private land trusts, help private landowners conserve important soil and water resources on their property; and

Whereas, to be effective in the long run, conservation easements require long-term or perpetual monitoring to assure that the intent of the easement donors and sellers is honored; and

Whereas, soil and water conservation districts receive funds from diverse sources for long-term easement stewardship, including private contributions and donations, portions of transaction fees, donations from private charitable foundations, and contributions from and appropriation of public funds; and

Whereas, the current local budgeting and finance laws do not adequately provide a means to ensure that these funds are dedicated to long-term or perpetual stewardship of conservation easements; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 139-3 is amended by adding a new subdivision to read:

"(4a) 'Conservation easement' has the same meaning as provided in G.S. 40A-80."

SECTION 2. Article 1 of Chapter 139 of the General Statutes is amended by adding the following new section to read:

"§ 139-7.1. Special revenue funds for the maintenance of conservation easements.

(a) Establishing Fund. – The governing body of a soil and water conservation district may establish and maintain a special revenue fund for the purpose of maintaining conservation easements, including maintenance activities such as travel to and observation of easement property, remote monitoring of easement property, and education and ongoing communication with landowners about their easement responsibilities. To establish a special revenue fund under this section, the governing body of a soil and water conservation district shall adopt a resolution or ordinance that includes all of the following provisions:

- (1) The specific purposes of maintaining conservation easements for which the special revenue fund is created.
- (2) The approximate periods of time during which the moneys are to be accumulated for each purpose specified under subdivision (1) of this subsection.
- (3) The approximate amounts to be accumulated for each purpose specified under subdivision (1) of this subsection.
- (4) The sources from which moneys will be derived for each purpose specified under subdivision (1) of this subsection.



(b) Changes Authorized. – The resolution or ordinance that establishes a special revenue fund under subsection (a) of this section may be amended from time to time in the same manner in which it was adopted. Such amendments may authorize the use of moneys in the special revenue fund for conservation easement maintenance purposes that are not previously provided for by resolution or ordinance.

(c) Funding. – Any special revenue fund established under this section shall consist of funds received by appropriation from any other fund consistent with the limitations under G.S. 159-13(b); grant moneys; donations; direct appropriations from the State or any of its agencies or political subdivisions; or any other unrestricted funds appropriated to a soil and water conservation district from any source. When the conservation easement maintenance fund receives moneys or investment securities, the use of which is restricted by law, the identity of such moneys or investment securities shall be maintained by appropriate accounting entries.

(d) Investment of Fund. – All or any part of the cash balances of a special revenue fund established under this section may be deposited at interest or invested as provided by G.S. 159-30.

(e) Fund Withdrawals When District Adopts Its Own Budget Ordinance. – Withdrawals from a special revenue fund established under this section may be authorized by resolution or ordinance of the governing body of the soil and water conservation district. No withdrawal may be authorized unless it is for a purpose that is specified in the resolution or ordinance under subsection (a) of this section or in a resolution or ordinance under subsection (b) of this section. The resolution or ordinance to authorize a withdrawal under this subsection shall authorize an appropriation from the special revenue fund to one of the funds maintained pursuant to G.S. 159-13(a); however, no withdrawal may be authorized that would result in an appropriation for conservation easement maintenance purposes for which an adequate balance of eligible moneys or investment securities is not available in the special revenue fund at the time the resolution or ordinance under this subsection is adopted.

(f) Fund Withdrawals When Other Body Adopts District's Budget Ordinance. – If a soil and water conservation district's budget ordinance is subject to adoption by another governing body, then the governing body that is responsible for adopting the soil and water district's budget ordinance must approve the appropriation of moneys from the special revenue fund established under this section to one of the funds maintained pursuant to G.S. 159-13(a), subject to the other limitations provided in subsection (e) of this section."

SECTION 3. This act becomes effective July 1, 2011.

In the General Assembly read three times and ratified this the 15th day of June,
2011.

Walter H. Dalton
President of the Senate

Thom Tillis
Speaker of the House of Representatives

Beverly E. Perdue
Governor

Approved _____ .m. this _____ day of _____, 2011