GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2015

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SENATE BILL 363

Health Care Committee Substitute Adopted 4/27/15 House Committee Substitute Favorable 5/25/16 House Committee Substitute #2 Favorable 6/2/16

House Committee Substitute #2 Favorable 6/2/16	
Short Title: Wage & Hour/Local Gov't Assessments/Parks.	(Public)
Sponsors:	
Referred to:	
March 24, 2015	
A BILL TO BE ENTITLED AN ACT PROVIDING THAT EMPLOYEES OF SEASONAL AMUSE RECREATIONAL FACILITIES ARE EXEMPT FROM OVERTINE RECORD-KEEPING REQUIREMENTS OF THE NORTH CAROLINA WE HOUR ACT, AUTHORIZING CITIES AND COUNTIES TO PROVIDE PAYMENT OF ALL OR A PORTION OF THE COST OF CRITICAL INFRAS PROJECTS BY USING FUNDS FROM PRIVATE PARTIES AND REPAREMOVING SPECIAL ASSESSMENTS ON BENEFITED REMOVING CERTAIN PROPERTY FROM THE STATE NATURE AND PRESERVE, AND AUTHORIZING THE DELETION OF VARIOUS PROPER THE STATE PARKS SYSTEM. The General Assembly of North Carolina enacts: SECTION 1.(a) G.S. 95-25.14(c) reads as rewritten: "(c) The provisions of G.S. 95-25.4 (Overtime), and the provisions of G.S (Record Keeping) as they relate to this exemption, do not apply to:	IME AND VAGE AND FOR THE TRUCTURE AYING THE PROPERTY, HISTORIC TIES FROM
(8) Any employee of a seasonal amusement or recreational establishmed SECTION 1.(b) G.S. 95-25.3(e) reads as rewritten: "(e) The Commissioner, in order to prevent curtailment of opportunities for and to not adversely affect the viability of seasonal establishments, may, by regulatio wage rate not less than eighty-five percent (85%) of the otherwise applicable wage under subsection (a) which that shall apply to any employee employed by an establishment is a seasonal amusement or recreational establishment, or a seasonal establishment." SECTION 1.(c) G.S. 95-25.4(a) reads as rewritten: "(a) Every employer shall pay each employee who works longer than 40 workweek at a rate of not less than time and one half of the regular rate of pay of the those hours in excess of 40 per week; provided that employers of seasonal arrecreational establishment employees are required to pay those employees the overtifor hours in excess of 45 per workweek.week." SECTION 2.(a) Article 9A of Chapter 153A of the General Status	employment, on, establish a rate in effect thment which food service hours in any employee for musement or ime rate only
rewritten:	ico reado do

"Article 9A.

"Special Assessments for Critical Infrastructure Needs.



"§ 153A-210.1. Purpose; sunset.

(a) Purpose. – This Article enables counties that face increased demands for infrastructure improvements as a result of rapid growth and development to issue revenue bonds payable from impose special assessments imposed under as provided in this Article on benefited property. property and to use the resulting revenues as provided in this Article. This Article supplements the authority counties have in Article 9 of this Chapter. The provisions of Article 9 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

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 (b) Sunset. – This Article expires July 1, 2020. July 1, 2020, for projects that have not been approved under a final assessment resolution. For projects authorized in G.S. 153A-210.2(a1), this Article expires July 1, 2019. The expiration does not affect the validity of assessments imposed or to be imposed or bonds issued or authorized or to be issued or authorized under the provisions of this Article if a final assessment resolution has been adopted prior to the effective date of the expiration.

"§ 153A-210.2. Assessments.

(a) Projects. – The board of commissioners of a county may make special assessments as provided in this Article against benefited property within the county for the purpose of financing assisting in arranging for payment of the capital costs of projects (i) for which project development financing debt instruments may be issued under G.S. 159-103 or (ii) for the purpose of financing the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

- (b) Costs. The board of commissioners must determine a project's total estimated cost.cost and the amount of costs to be paid from assessments. In addition to the costs allowed under G.S. 153A-193, the costs may include any expenses allowed under G.S. 159-84.G.S. 159-84 and expenses for the administration of the assessments. A preliminary assessment roll may be prepared before the costs are incurred based on the estimated cost of the project.
- (c) Method. The board of commissioners must establish an assessment method that will most—will, in the board's judgment, accurately assess each lot or parcel of land subject to the assessments according to the benefits conferred upon it by the project for which the assessment is made. In addition to other bases upon which assessments may be made under G.S. 153A-186, the board may select any other method designed to allocate the costs in accordance with benefits conferred. In doing so, the board may provide that the benefits conferred are measured on the basis of use being made on the lot or parcel of land and provide for adjustments of assessments upon a change in use, provided that the total amount of all assessments is sufficient to pay the portion of the costs of the project to be funded from assessments after the adjustments have been made.

"§ 153A-210.3. Petition required.

(a) Petition. – The board of commissioners may not impose a special assessment under this Article unless it receives a petition for the project to be financed by the assessment signed by (i) at least a majority of the owners of real property to be assessed and (ii) owners who represent at least sixty-six percent (66%) of the assessed value of all real property to be assessed. For purposes of determining whether the petition has been signed by a majority of owners, an owner who holds title to a parcel of real property alone shall be treated as having one vote each, and an owner who shares title to a parcel of real property with one or more other owners shall have a vote equal to one vote multiplied by a fraction, the numerator of which is one, and the denominator of which is the total number of owners of the parcel. For purposes of determining whether the assessed value represented by those signing the petition constitutes at least sixty-six percent (66%) of the assessed value of all real property to be assessed, an owner who holds title to a parcel of real property alone shall have the full assessed value of the parcel included in the calculation, and an owner who shares title to a parcel of real property with one or more other owners shall have their

proportionate share of the full assessed value of the parcel included in the calculation. The petition must include the following:

- (1) A statement of the project proposed to be financed in whole or in part by the imposition of an assessment under this Article.
- (2) An estimate of the cost of the project.
- (3) An estimate of the portion of the cost of the project to be assessed.
- (a1) Preliminary Assessment Resolution. Upon the receipt of a petition as provided for under subsection (a) of this section, the board of commissioners shall adopt a preliminary assessment resolution containing all of the following:
 - (1) A statement of intent to undertake the project.
 - (2) A general description of the nature and location of the project.
 - (3) A statement as to the proposed terms of payment of the assessment.
 - (4) An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution. The hearing shall be not earlier than three weeks and not later than 10 weeks from the day on which the preliminary resolution is adopted.
- (a2) Hearing on Preliminary Assessment Resolution; Assessment Resolution. At the public hearing, the board of commissioners shall hear all interested persons who appear with respect to any matter covered by the preliminary assessment resolution. Not earlier than 10 days after the public hearing, the board may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The final assessment resolution shall include all of the information provided for in subdivisions (1) through (3) of subsection (a1) of this section.
- (b) Petition Withdrawn. The board of commissioners must wait at least 10 days after the public hearing on the preliminary assessment resolution before adopting a final assessment resolution. A petition submitted under subsection (a) of this section may be withdrawn if notice of petition withdrawal is given in writing to the board signed by at least a majority of the owners who signed the petition submitted under subsection (a) of this section representing at least fifty percent (50%) of the assessed value of all real property to be assessed. The board may not adopt a final assessment resolution if it receives a timely notice of petition withdrawal.
- (c) Validity of Assessment. No right of action or defense asserting the invalidity of an assessment on grounds that the county did not comply with this section may be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution.

"§ 153A-210.4. Financing Funding a project for which an assessment is imposed.

- (a) Financing Funding Sources. A—In addition to funding from sources otherwise authorized for use by a board of commissioners in connection with a project, a board of commissioners may provide for the payment of all or a portion of the cost of a project for which an assessment may be imposed under this Article from one or more of the financing—funding sources listed in this subsection. The assessment resolution must include the estimated cost of the project to be funded from assessments and the amount of the cost estimated to be derived from each respective financing funding source.
 - (1) Revenue bonds issued under G.S. 153A-210.6.
 - (2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.
 - (3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.
 - (4) General revenues.
 - (5) Funds from private parties.
- (b) Assessments Pledged. An assessment imposed under this Article may be pledged to secure revenue bonds under G.S. 153A-210.6 or as additional security for a project development

financing debt instrument under G.S. 159-111. If an assessment imposed under this Article is pledged to secure financing, the board of commissioners must covenant to enforce the payment of the assessments.

(c) Reimbursement from Assessments. – If a board of commissioners contracts with a private party to construct a project on behalf of the county as provided in G.S. 153A-210.7, the board of commissioners may agree to impose one or more assessments pursuant to this Article in order to reimburse the private party for costs incurred by the private party related to the project, including an inflationary factor applicable during any period of abeyance provided under G.S. 153A-210.5. The board of commissioners shall not be obligated to reimburse a private party any amount in excess of assessment revenues actually collected less the county's related administrative costs.

"§ 153A-210.5. Payment of assessments by installments.

- (a) An assessment imposed under this Article is payable in annual installments. The board of commissioners must set the number of annual installments, which may not be more than 25. The installments are due on the date that <u>real</u> property taxes are due.
- (b) The board of commissioners may provide for the abeyance of assessments as authorized in Article 9 of this Chapter. The abeyance may apply to any assessed property. Annual installments shall be deferred until the period of abeyance ends. The assessment shall be payable on the first annual installment payment date after the period of abeyance ends.

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"§ 153A-210.7. Project implementation.

A county may act directly, through one or more contracts with other public agencies, through one or more contracts with private agencies, or by any combination thereof to implement the project financed funded in whole or in part by the imposition of an assessment imposed under this Article. Initial funding for the project may be provided by the public or private agencies. If no more than twenty-five percent (25%) of the estimated cost of a project is to be funded from the proceeds of general obligation bonds or general revenue, excluding assessments imposed pursuant to this Article, a private agency that enters into a contract with a county for the implementation of all or part of the project is subject to the provisions of Article 8 of Chapter 143 of the General Statutes only to the extent specified in the contract. In the event any contract relating to construction a substantial portion of which is to be performed on publicly owned property is excluded from the provisions of Article 8 of Chapter 143, the county or any trustee or fiduciary responsible for disbursing funds shall obtain certification acceptable to the county in the amount due for work done or materials supplied for which payment will be paid from such disbursement. If the county or any trustee or fiduciary responsible for disbursing funds receives notice of a claim from any person who would be entitled to a mechanic's or materialman's lien but for the fact that the claim relates to work performed on or supplies provided to publicly owned property, then either no disbursement of funds may be made until the county, trustee, or fiduciary receives satisfactory proof of resolution of the claim or funds in the amount of the claim shall be set aside for payment thereof upon resolution of the claim."

SECTION 2.(b) Article 10A of Chapter 160A of the General Statutes reads as rewritten:

"Article 10A.

"Special Assessments for Critical Infrastructure Needs.

"§ 160A-239.1. Purpose; sunset.

(a) Purpose. – This Article enables cities that face increased demands for infrastructure improvements as a result of rapid growth and development to issue revenue bonds payable from impose special assessments imposed as provided under this Article on benefited property and to use the resulting revenues as provided in this Article. This Article supplements the authority cities have in Article 10 of this Chapter. The provisions of Article 10 of this Chapter apply to this Article, to the extent they do not conflict with this Article.

(b) Sunset. – This Article expires July 1, 2020. July 1, 2020, for projects that have not been approved under a final assessment resolution. The expiration does not affect the validity of assessments imposed or to be imposed or bonds issued or authorized or to be issued or authorized under the provisions of this Article if a final assessment resolution has been adopted prior to the effective date of the expiration.

"§ 160A-239.2. Assessments.

- (a) Projects. The council of a city may make special assessments as provided in this Article against benefited property within the city for the purpose of <u>financing_assisting_in</u> arranging for payment of the capital costs of projects (i) for which project development financing debt instruments may be issued under G.S. 159-103 or (ii) for the purpose of <u>financing_the</u> installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.
- (b) Costs. The city council must determine a project's total estimated eost.cost and the amount of costs to be paid from assessments. In addition to the costs allowed under G.S. 153A-193, G.S. 160A-226, the costs may include any expenses allowed under G.S. 159-84 and expenses for the administration of the assessments. A preliminary assessment roll may be prepared before the costs are incurred based on the estimated cost of the project.
- (c) Method. The city council must establish an assessment method that will most will, in the city council's judgment, accurately assess each lot or parcel of land subject to the assessments according to the benefits conferred upon it by the project for which the assessment is made. In addition to other bases upon which assessments may be made under G.S. 160A-218, the council may select any other method designed to allocate the costs in accordance with benefits conferred. In doing so, the council may provide that the benefits conferred are measured on the basis of use being made on the lot or parcel of land and provide for adjustments of assessments upon a change in use, provided that the total amount of all assessments is sufficient to pay the portion of the costs of the project to be funded from assessments after the adjustments have been made.

"§ 160A-239.3. Petition required.

- (a) Petition. The city council may not impose a special assessment under this Article unless it receives a petition for the project to be financed by the assessment signed by (i) at least a majority of the owners of real property to be assessed and (ii) owners who represent at least sixty-six percent (66%) of the assessed value of all real property to be assessed. For purposes of determining whether the petition has been signed by a majority of owners, an owner who holds title to a parcel of real property alone shall be treated as having one vote each, and an owner who shares title to a parcel of real property with one or more other owners shall have a vote equal to one vote multiplied by a fraction, the numerator of which is one, and the denominator of which is the total number of owners of the parcel. For purposes of determining whether the assessed value represented by those signing the petition constitutes at least sixty-six percent (66%) of the assessed value of all real property to be assessed, an owner who holds title to a parcel of real property alone shall have the full assessed value of the parcel included in the calculation, and an owner who shares title to a parcel of real property with one or more other owners shall have their proportionate share of the full assessed value of the parcel included in the calculation. The petition must include the following:
 - (1) A statement of the project proposed to be financed in whole or in part by the imposition of an assessment under this Article.
 - (2) An estimate of the cost of the project.
 - (3) An estimate of the portion of the cost of the project to be assessed.
- (a1) Preliminary Assessment Resolution. Upon the receipt of a petition as provided for under subsection (a) of this section, the city council shall adopt a preliminary assessment resolution containing all of the following:
 - (1) A statement of intent to undertake the project.

- (2) A general description of the nature and location of the project.
- (3) A statement as to the proposed terms of payment of the assessment.
- (4) An order setting a time and place for a public hearing on all matters covered by the preliminary assessment resolution. The hearing shall be not earlier than three weeks and not later than 10 weeks from the day on which the preliminary resolution is adopted.
- (a2) Hearing on Preliminary Assessment Resolution; Assessment Resolution. At the public hearing, the city council shall hear all interested persons who appear with respect to any matter covered by the preliminary assessment resolution. Not earlier than 10 days after the public hearing, the city council may adopt a final assessment resolution directing that the project or portions thereof be undertaken. The final assessment resolution shall include all of the information provided for in subdivisions (1) through (3) of subsection (a1) of this section.
- (b) Petition Withdrawn. The city council must wait at least 10 days after the public hearing on the preliminary assessment resolution before adopting a final assessment resolution. A petition submitted under subsection (a) of this section may be withdrawn if notice of petition withdrawal is given in writing to the council signed by at least a majority of the owners who signed the petition submitted under subsection (a) of this section representing at least fifty percent (50%) of the assessed value of all real property to be assessed. The council may not adopt a final assessment resolution if it receives a timely notice of petition withdrawal.
- (c) Validity of Assessment. No right of action or defense asserting the invalidity of an assessment on grounds that the city did not comply with this section may be asserted except in an action or proceeding begun within 90 days after publication of the notice of adoption of the preliminary assessment resolution.

"§ 160A-239.4. Financing Funding a project for which an assessment is imposed.

- (a) Financing Funding Sources. A—In addition to funding from sources otherwise authorized for use by a city council in connection with a project, a city council may provide for the payment of all or a portion of the cost of a project for which an assessment may be imposed under this Article from one or more financing funding sources listed in this subsection. The assessment resolution must include the estimated cost of the project to be funded from assessments and the amount of the cost estimated to be derived from the each respective financing funding source.
 - (1) Revenue bonds issued under G.S. 160A-239.6.
 - (2) Project development financing debt instruments issued under the North Carolina Project Development Financing Act, Article 6 of Chapter 159 of the General Statutes.
 - (3) General obligation bonds issued under the Local Government Bond Act, Article 4 of Chapter 159 of the General Statutes.
 - (4) General revenues.
 - (5) Funds from private parties.
- (b) Assessments Pledged. An assessment imposed under this Article may be pledged to secure revenue bonds under G.S. 160A-239.6 or as additional security for a project development financing debt instrument under G.S. 159-111. If an assessment imposed under this Article is pledged to secure financing, the city council must covenant to enforce the payment of the assessments.
- (c) Reimbursement from Assessments. If a city council contracts with a private party to construct a project on behalf of the city as provided in G.S. 160A-239.7, the city council may agree to impose one or more assessments pursuant to this Article in order to reimburse the private party for costs incurred by the private party related to the project, including an inflationary factor applicable during any period of abeyance provided under G.S. 160A-239.5. The city council shall not be obligated to reimburse a private party any amount in excess of assessment revenues actually collected less the city's related administrative costs.
- "§ 160A-239.5. Payment of assessments by installments.

- (a) An assessment imposed under this Article is payable in annual installments. The city council must set the number of annual installments, which may not be more than 25. The installments are due on the date that <u>real</u> property taxes are due.
- (b) The city council may provide for the abeyance of assessments as authorized in Article 10 of this Chapter. The abeyance may apply to any assessed property. Annual installments shall be deferred until the period of abeyance ends. The assessment shall be payable on the first annual installment payment date after the period of abeyance ends.

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"§ 160A-239.7. Project implementation.

A city may act directly, through one or more contracts with other public agencies, through one or more contracts with private agencies, or by any combination thereof to implement the project financed funded in whole or in part by the imposition of an assessment imposed under this Article. Initial funding for the project may be provided by the public or private agencies. If no more than twenty-five percent (25%) of the estimated cost of a project is to be funded from the proceeds of general obligation bonds or general revenue, excluding assessments imposed pursuant to this Article, a private agency that enters into a contract with a city for the implementation of all or part of the project is subject to the provisions of Article 8 of Chapter 143 of the General Statutes only to the extent specified in the contract. In the event any contract relating to construction a substantial portion of which is to be performed on publicly owned property is excluded from the provisions of Article 8 of Chapter 143, the city or any trustee or fiduciary responsible for disbursing funds shall obtain certification acceptable to the city in the amount due for work done or materials supplied for which payment will be paid from such disbursement. If the city or any trustee or fiduciary responsible for disbursing funds receives notice of a claim from any person who would be entitled to a mechanic's or materialman's lien but for the fact that the claim relates to work performed on or supplies provided to publicly owned property, then either no disbursement of funds may be made until the city, trustee, or fiduciary receives satisfactory proof of resolution of the claim or funds in the amount of the claim shall be set aside for payment thereof upon resolution of the claim."

SECTION 3.(a) Article 25B of Chapter 143 of the General Statutes is amended by adding the following new sections to read:

"§ 143-260.10H. Removal of land in Gorges State Park from the State Nature and Historic Preserve.

- (a) Notwithstanding the provisions of G.S. 143-260.10(23), the portion of that certain tract or parcel of property at Gorges State Park in Transylvania County, described in Deed Book 153, Page 083, and containing approximately 4.2 acres as shown as Tract "A" in a survey by E. Roger Raxter, Inc., entitled State of North Carolina and Blue Ridge Mountains RV Resort Property Owners' Association, Inc., and dated March 20, 2016, is removed from the State Nature and Historic Preserve.
- (b) The property described in subsection (a) of this section is deleted from the State Parks System pursuant to G.S. 143B-135.54.
- (c) The State may only exchange this property for other property for the expansion of Gorges State Park or sell this land and use the proceeds for that purpose. The State shall not otherwise sell or exchange this land.

"§ 143-260.10I. Removal of land in Jockey's Ridge State Park from the State Nature and Historic Preserve.

Notwithstanding the provisions of G.S. 143-260.10(15), the portion of that certain tract or parcel of property at Jockey's Ridge State Park in Dare County, described in Deed Book 222, Page 732, and Deed Book 227, Page 501, and containing 0.6 acres as shown in a survey by Timmons Group entitled Plat Showing a Proposed Dominion North Carolina Power Easement Across the Properties of the State of North Carolina (Jockey's Ridge State Park) and dated December 18, 2014, is removed from the State Nature and Historic Preserve.

"§ 143-260.10J. Removal of land in Mitchell's Millpond State Natural Area from the State Nature and Historic Preserve.

- (a) Notwithstanding the provisions of G.S. 143-260.10(26), the portion of that certain tract or parcel of property at Mitchell's Millpond State Natural Area in Wake County, described in Deed Book 4186, Page 756, and containing 0.08 acres as shown in a survey by the North Carolina Department of Transportation, Right-of-Way Branch, entitled State of North Carolina, Parcel 002, and dated March 11, 2015, is removed from the State Nature and Historic Preserve.
- (b) The property described in subsection (a) of this section is deleted from the State Parks System pursuant to G.S. 143B-135.54.
- (c) The State may only exchange this property for other property for the expansion of Mitchell's Millpond State Natural Area or sell this land and use the proceeds for that purpose. The State shall not otherwise sell or exchange this land."

SECTION 3.(b) Pursuant to G.S. 143B-135.54, the General Assembly authorizes the deletion of the following property from the State Parks System:

The portion of that certain tract or parcel of property at Hanging Rock State Park in Stokes County, described in Deed Book 267, Page 159, and containing approximately 1.5 acres as shown in a survey by C.E. Robertson & Associates, P.C. entitled Plat of Survey for North Carolina Division of Parks and Recreation showing "Camp Sertoma Tracts," Sheet 7 of 7, and dated June 18, 2015, and revised April 6, 2016; and the portion shown as Deed Overlap in a survey by C.E. Robertson & Associates, P.C. entitled Plat of Survey for North Carolina Division of Parks and Recreation showing "Camp Sertoma Tracts," Sheet 2 of 7, and dated June 18, 2015; and the portion of that certain tract or parcel of property in Stokes County described in Deed Book 368, Page 415, and containing approximately 1.058 acres shown as Deed Overlap in a survey by C.E. Robertson & Associates, P.C. entitled Plat of Survey for North Carolina Division of Parks and Recreation showing "Camp Sertoma Tracts," Sheet 5 of 7, and dated June 18, 2015. The State may only exchange this property for other property for the expansion of Hanging Rock State Park or sell this land and use the proceeds for that purpose. The State shall not otherwise sell or exchange this land.

SECTION 4. Section 1 of this act is effective when it becomes law and applies to wages earned after that date and after notice has been given to employees in accordance with G.S. 95-13(3). Section 2 of this act becomes effective June 30, 2016, and applies to assessments made on or after that date. The remainder of this act is effective when it becomes law.