

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

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SENATE BILL 356  
Agriculture/Environment/Natural Resources Committee Substitute Adopted 4/11/19  
House Committee Substitute Favorable 7/15/19  
House Committee Substitute #2 Favorable 7/30/19

Short Title: Surp. Proceeds; Cert. Seized Veh. Sales.

(Public)

Sponsors:

Referred to:

March 27, 2019

A BILL TO BE ENTITLED

AN ACT TO DIRECT THAT A PORTION OF PROCEEDS FROM THE SALE OF CERTAIN STATE PROPERTY BE TRANSFERRED TO THE CLEAN WATER MANAGEMENT TRUST FUND AND THE PARKS AND RECREATION TRUST FUND AND TO MODIFY VARIOUS LAWS RELATING TO THE STATE SURPLUS PROPERTY AGENCY AND THE SALE OF SEIZED MOTOR VEHICLES.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 7 of Subchapter II of Chapter 146 of the General Statutes is amended by adding a new section to read:

**"§ 146-30.2. Calculation of net proceeds from the sale of State-owned real property located outside the State Capitol area.**

(a) Limitation. – Notwithstanding G.S. 146-30 or any other provision of law, net proceeds from the sale of State-owned real property that is located outside of the State Capitol area shall be calculated in accordance with this section.

(b) State Capitol Area. – For the purposes of this section, the term "State Capitol area" shall mean that area of land located in the City of Raleigh and situated within the following boundaries:

- (1) Peace Street on the north.
- (2) Capital Blvd./Dawson Street on the west.
- (3) Morgan Street on the south.
- (4) Person Street on the east.

(c) Calculation of Net Proceeds. – For the purposes of this section, the term "net proceeds" means the gross amount received from the sale of State-owned real property located outside of the State Capitol area, less the following:

- (1) Any expenses incurred incident to that sale as may be allowed under rules and regulations adopted by the Governor and approved by the Council of State.
- (2) A service charge to be paid into the State Land Fund, unless such service charge is prohibited by G.S. 146-30.
- (3) An amount equal to twelve and one-half percent (12.5%) of the gross amount received to be paid into the Clean Water Management Trust Fund established under G.S. 143B-135.234(a).
- (4) An amount equal to twelve and one-half percent (12.5%) of the gross amount received to be paid into the Parks and Recreation Trust Fund established under G.S. 143B-135.56(a).



1 (d) Application of Proceeds. – Except as otherwise provided in this section, net proceeds  
2 shall be handled in accordance with the provisions of G.S. 146-30.

3 (e) Exception. – This section shall not apply to proceeds derived from the sale of land or  
4 property originally purchased with, under the supervision and control of, or maintained with  
5 funds from the State Highway Fund or proceeds derived from the disposition of residue property  
6 pursuant to G.S. 136-19.7."

7 **SECTION 2.** G.S. 20-28.9 reads as rewritten:

8 "**§ 20-28.9. Authority for the State Surplus Property Agency to administer a statewide or**  
9 **regional towing, storage, and sales program for vehicles forfeited.**

10 (a) The State Surplus Property Agency is authorized to and shall enter into a contract for  
11 a statewide service or two contracts for regional services to tow, store, process, maintain, and sell  
12 motor vehicles seized pursuant to G.S. 20-28.3. All motor vehicles seized under G.S. 20-28.3  
13 shall be subject to contracts entered into pursuant to this section. Contracts shall be let by the  
14 State Surplus Property Agency in accordance with the provisions of Article 3 of Chapter 143 of  
15 the General Statutes. The State Surplus Property Agency must select one separate vendor for  
16 each of the contracts let pursuant to this subsection. All contracts shall ensure the safety of the  
17 motor vehicles while held and any funds arising from the sale of any seized motor vehicle. The  
18 contract shall require the contractor to maintain and make available to the agency a computerized  
19 up-to-date inventory of all motor vehicles held under the contract, together with an accounting  
20 of all accrued charges, the status of the vehicle, and the county school fund to which the proceeds  
21 of sale are to be paid. The contract shall provide that the contractor shall pay the towing and  
22 storage charges owed on a seized vehicle to a commercial towing company at the time the seized  
23 vehicle is obtained from the commercial towing company, with the contractor being reimbursed  
24 this expense when the vehicle is released or sold. The State Surplus Property Agency shall not  
25 enter into any contract under this section under which the State will be obligated to pay a  
26 deficiency arising from the sale of any forfeited motor vehicle.

27 ...."

28 **SECTION 3.** G.S. 20-28.3(i) reads as rewritten:

29 "(i) Expedited Sale of Seized Motor Vehicles in Certain Cases. – In order to avoid  
30 additional liability for towing and storage costs pending resolution of the criminal proceedings  
31 of the defendant, the State Surplus Property Agency or county board of education may, after  
32 expiration of 90 days from the date of seizure, sell any motor vehicle having a fair market value  
33 of one thousand five hundred dollars (\$1,500) or less. The State Surplus Property Agency or  
34 county board of education may also sell a motor vehicle, regardless of the fair market value, any  
35 time the outstanding towing and storage costs exceed eighty-five percent (85%) of the fair market  
36 value of the vehicle, or with the consent of all the motor vehicle owners. Any sale conducted  
37 pursuant to this subsection shall be conducted in accordance with the provisions of  
38 G.S. 20-28.5(a) or G.S. 20-28.5(a1), as applicable, and the proceeds of the sale, after the payment  
39 of outstanding towing and storage costs or reimbursement of towing and storage costs paid by a  
40 person other than the defendant, shall be deposited with the clerk of superior court. If an order of  
41 forfeiture is entered by the court, the court shall order the proceeds held by the clerk to be  
42 disbursed as provided in G.S. 20-28.5(b). If the court determines that the motor vehicle is not  
43 subject to forfeiture, the court shall order the proceeds held by the clerk to be disbursed first to  
44 pay the sale, towing, and storage costs, second to pay outstanding liens on the motor vehicle, and  
45 the balance to be paid to the motor vehicle owners."

46 **SECTION 4.** This act becomes effective September 1, 2019.