GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

H 2

HOUSE BILL 421 Committee Substitute Favorable 4/26/95

Short Title: Transfer Ports Authority/AB.	(Public)
Sponsors:	
Referred to:	

March 9, 1995

1 A BILL TO BE ENTITLED

AN ACT TO TRANSFER THE NORTH CAROLINA STATE PORTS AUTHORITY AND THE NORTH CAROLINA PORTS RAILWAY COMMISSION TO THE DEPARTMENT OF TRANSPORTATION, TO AMEND THE RESPONSIBILITIES OF THE BOARD OF TRANSPORTATION, AND TO INCREASE THE APPOINTMENTS TO THE PORTS AUTHORITY.

The General Assembly of North Carolina enacts:

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17 18 Section 1. The North Carolina State Ports Authority, as set forth in Part 10 of Article 10 of Chapter 143B of the General Statutes, is transferred to the Department of Transportation in accordance with this act. Except as otherwise provided in this act, this transfer has all the elements of a Type II transfer as defined by G.S. 143A-6(b).

- Sec. 2. Part 10 of Article 10 of Chapter 143B of the General Statutes is recodified as Part 10 of Article 8 of Chapter 143B of the General Statutes, G.S. 143B-363.1 through G.S. 143B-363.16.
- Sec. 3. The North Carolina Ports Railway Commission, as set forth in Part 11 of Article 10 of Chapter 143B of the General Statutes, is transferred to the Department of Transportation in accordance with this act. This transfer has all the elements of a Type II transfer as defined by G.S. 143A-6(b).

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Sec. 4. Part 11 of Article 10 of Chapter 143B of the General Statutes is recodified as Part 11 of Article 8 of Chapter 143B of the General Statutes, G.S. 143B-364.1 through G.S. 143B-364.4.

Sec. 5. G.S. 143B-452, as recodified as G.S. 143B-363.1 by Section 2 of this act, reads as rewritten:

"§ 143B-363.1. Creation of Authority – membership; appointment, terms and vacancies; officers; meetings and quorum; compensation.

The North Carolina State Ports Authority is hereby created. The North Carolina State Ports Authority shall be located within the Department of Transportation, but the power of the Authority to employ, direct, and supervise personnel shall be as provided in this Part. It shall be governed by a board composed of nine members and hereby designated as the Authority. Effective July 1, 1983, it shall be governed by a board composed of 11 members and hereby designated as the Authority. The General Assembly suggests and recommends that no person be appointed to the Authority who is domiciled in the district of the North Carolina House of Representatives or the North Carolina Senate in which a State port is located. The Governor shall appoint seven members to the Authority, and the General Assembly shall appoint two members of the Authority. Effective July 1, 1983, the Authority shall consist of seven persons appointed by the Governor, and four persons appointed by the General Assembly. Effective July 1, 1989, the Governor shall appoint six members to the Authority, in addition to the Secretary of Commerce, Commerce or the Secretary's designee, who shall serve as a voting member of the Authority by virtue of his office. The Secretary of Commerce shall fill the first vacancy occurring after July 1, 1989, in a position on the Authority over which the Governor has appointive power. Effective July 1, 1995, the Authority shall consist of 14 members with the addition of the Secretary of Transportation or the Secretary's designee, who shall serve as a voting member of the Authority by virtue of office.

The initial appointments by the Governor shall be made on or after March 8, 1977, two terms to expire July 1, 1979; two terms to expire July 1, 1981; and three terms to expire July 1, 1983. Thereafter, at the expiration of each stipulated term of office all appointments made by the Governor shall be for a term of six years.

To stagger further the terms of members:

- (1) Of the members appointed by the Governor to replace the members whose terms expire on July 1, 1991, one member shall be appointed to a term of five years, to expire on June 30, 1996; the other member shall be appointed for a term of six years, to expire on June 30, 1997;
- (2) Of the members appointed by the Governor to replace the members whose terms expire on July 1, 1993, one member shall be appointed to a term of five years, to expire on June 30, 1998; the other member shall be appointed to a term of six years, to expire on June 30, 1999;
- (3) Of those members appointed by the Governor to replace the members whose terms expire on July 1, 1995, one member shall be appointed to a term of five years, to expire on June 30, 2000; the other member shall be appointed to a term of six years, to expire on June 30, 2001.

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Thereafter, at the expiration of each stipulated term of office all appointments made by the governor shall be for a term of six years.

The members of the Authority appointed by the Governor shall be selected from the State-at-large and insofar as practicable shall represent each section of the State in all of the business, agriculture, and industrial interests of the State. Any vacancy occurring in the membership of the Authority appointed by the Governor shall be filled by the Governor for the unexpired term. The Governor may remove a member appointed by the Governor only for reasons provided by G.S. 143B-13.

The General Assembly shall appoint two persons to serve terms expiring June 30, 1983. The General Assembly shall appoint four persons to serve terms beginning July 1, 1983, to serve until June 30, 1985, and successors shall serve for two-year terms. Of the two appointments to be made in 1982, one shall be made upon the recommendation of the Speaker, and one shall be made upon the recommendation of the President of the Senate. Of the four appointments made in 1983 and biennially thereafter, two shall be made upon the recommendation of the President of the Senate, and two shall be made upon the recommendation of the Speaker. Effective July 1, 1995, the General Assembly shall appoint six persons to serve as members of the Authority. Of the six appointments, three shall be upon the recommendation of the President Pro Tempore of the Senate, except that the appointee of the President of the Senate serving on June 30, 1995 whose term expires on June 30, 1996 shall continue to serve until June 30, 1996, and a successor shall be appointed by the President Pro Tempore of the Senate. To stagger further the terms of members:

- (1) Of the members appointed upon the recommendation of the Speaker to replace the members whose terms expire on June 30, 1991, 1995, one member shall be appointed to a term of one year, to expire on June 30, 1992; 1996; the other member two members shall be appointed to a term of two years, to expire on June 30, 1993; 1997;
- Of the members appointed upon the recommendation of the President of the Senate to replace the members whose terms expire on June 30, 1991, one member shall be appointed to a term of one year, to expire on June 30, 1992; the other member shall be appointed to a term of two years, to expire on June 30, 1993. The two members appointed by the President Pro Tempore of the Senate effective July 1, 1995, shall be appointed to a term of one year, to expire on June 30, 1996. The member appointed by the President Pro Tempore of the Senate as a successor to the President of the Senate's appointee effective July 1, 1996, shall serve for a term of two years, to expire on June 30, 1998.

Thereafter, at the expiration of each stipulated term of office all appointments made by the General Assembly shall be for terms of two years.

Appointments by the General Assembly shall be made in accordance with G.S. 120-121, and vacancies in those appointments shall be filled in accordance with G.S. 120-122. Members appointed by the General Assembly may be removed only for reasons provided by G. S. 143B-13.

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The Governor shall appoint from the members of the Authority the chairman and vice-chairman of the Authority. The members of the Authority shall appoint a treasurer and secretary of the Authority.

The Authority shall meet once in each 60 days at such regular meeting time as the Authority by rule may provide and at any place within the State as the Authority may provide, and shall also meet upon the call of its chairman or a majority of its members. A majority of its members shall constitute a quorum for the transaction of business. The members of the Authority shall not be entitled to compensation for their services, but they shall receive per diem and necessary travel and subsistence expense in accordance with G.S. 138-5."

Sec. 6. G.S. 143B-453, as recodified as G.S. 143B-363.2 by Section 2 of this act, reads as rewritten:

"§ 143B-363.2. Purposes of Authority.

Through the Authority hereinbefore created, the State of North Carolina may engage in promoting, developing, constructing, equipping, maintaining and operating the harbors and seaports within the State, or within the jurisdiction of the State, and works of internal improvements incident thereto, including the acquisition or construction, maintenance and operation at such seaports or harbors of watercraft and highways and bridges thereon or essential for the proper operation thereof. Said Authority is created as an instrumentality of the State of North Carolina for the accomplishment of the following general purposes:

- (1) To develop and improve the harbors or seaports at Wilmington, Morehead City and Southport, North Carolina, and such other places, including inland ports and facilities, as may be deemed feasible for a more expeditious and efficient handling of waterborne commerce from and to any place or places in the State of North Carolina and other states and foreign countries.
- (2) To acquire, construct, equip, maintain, develop and improve the port facilities at said ports and to improve such portions of the waterways thereat as are within the jurisdiction of the federal government.
- To foster and stimulate the shipment of freight and commerce through (3) said ports, whether originating within or without the State of North Carolina, including the investigation and handling of matters pertaining to all transportation rates and rate structures affecting the same.
- (4) To cooperate with the United States of America and any agency, department, corporation or instrumentality thereof in the maintenance, development, improvement and use of said harbors and seaports in connection with and in furtherance of the war operations and needs of the United States.
- To accept funds from any of said counties or cities wherein said ports (5) are located and to use the same in such manner, within the purposes of said Authority, as shall be stipulated by the said county or city, and to

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act as agent or instrumentality, of any of said counties or cities in any matter coming within the general purposes of said Authority.

- (6) To act as agent for the United States of America, or any agency, department, corporation or instrumentality thereof, in any matter coming within the purposes or powers of the Authority.
- (7) And in general to do and perform any act or function which may tend or be useful toward the development and improvement of harbors, seaports and inland ports of the State of North Carolina, and to increase the movement of waterborne commerce, foreign and domestic, to, through, and from such harbors and ports.

The enumeration of the above purposes shall not limit or circumscribe the broad objective of developing to the utmost the port possibilities of the State of North Carolina.

The Authority shall develop a long-range, 10-year capital plan which identifies its total capital needs, available resources, and external funding requirements. The plan shall analyze the competitive position of the Authority relative to ports in other states and shall establish strategic objectives. The plan shall identify capital investments and highway, rail, and navigation channel improvements needed to achieve the strategic objectives established. The Authority shall include within the plan a program that will reflect a good faith effort in the recruitment and selection of minority businesses for participation in contracts for goods or services necessary to carry out the purposes of this section. The plan shall be submitted to the Board of Transportation for approval on or before April 1, 1996, and shall thereafter be reviewed, updated, and submitted to the Board of Transportation on or before January 1 of each year. The Department of Environment, Health, and Natural Resources shall provide information on navigation channels and on potential navigation improvements to the State Ports Authority and to the Department of Transportation, and shall provide other assistance as needed in developing the long-range capital plan for the Authority. The Department of Environment, Health, and Natural Resources shall review the plan as approved by the Board of Transportation when the Department develops the annual Water Resources Development Plan required by G.S. 143-215.73A, and shall set priorities for navigation improvement projects consistent with the approved plan for the Authority."

Sec. 7. G.S. 143B-454, as recodified as G.S 143B-363.3 by Section 2 of this act, reads as rewritten:

"§ 143B-363.3. Powers of Authority.

- (a) In order to enable it to carry out the purposes of this Part, the said Authority shall:
 - (1) Have the powers of a body corporate, including the power to sue and be sued, to make contracts, and to adopt and use a common seal and to alter the same as may be deemed expedient;
 - (2) Have the authority to make all necessary contracts and arrangements with other port authorities of this and other states for the interchange of business, and for such other purposes as will facilitate and increase the business of the North Carolina State Ports Authority;

- (3) Be authorized and empowered to rent, lease, buy, own, acquire, mortgage, otherwise encumber, and dispose of such property, real or person, as said Authority may deem proper to carry out the purposes and provisions of this Part, all or any of them;
- (4) Be authorized and empowered to acquire, construct, maintain, equip and operate any wharves, docks, piers, quays, elevators, compresses, refrigeration storage plants, warehouses and other structures, and any and all facilities needful for the convenient use of the same in the aid of commerce, including the dredging of approaches thereto, and the construction of beltline roads and highways and bridges and causeways thereon, and other bridges and causeways necessary or useful in connection therewith, and shippards, shipping facilities, transportation facilities incident thereto and useful or convenient for the use thereof, excluding terminal railroads. Prior approval of the Board of Transportation shall be required for all capital improvement projects, equipment purchases, and facility maintenance projects requiring the expenditure of funds in excess of five hundred thousand dollars (\$500,000). Requests for appropriations from the General Fund shall be approved by the Board of Transportation and submitted to the Governor through the Department of Transportation:
- (5) The Authority shall appoint an Executive Director, whose salary shall be fixed by the Authority, to serve at its pleasure. The Executive Director or his designee shall appoint, employ, dismiss and, within the limits of available funding, fix the compensation of such other employees as he deems necessary to carry out the purposes of this Part. There shall be an executive committee consisting of the chairman of the Authority and two other members elected annually by the Authority. The executive committee shall be vested with authority to do all acts which are authorized by the bylaws of the Authority. Members of the executive committee shall serve until their successors are elected;
- (6) Establish an office for the transaction of its business at such place or places as, in the opinion of the Authority, shall be advisable or necessary in carrying out the purposes of this Part;
- (7) Be authorized and empowered to create and operate such agencies and departments as said board may deem necessary or useful for the furtherance of any of the purposes of this Part;
- (8) Be authorized and empowered to pay all necessary costs and expenses involved in and incident to the formation and organization of said Authority, and incident to the administration and operation thereof, and to pay all other costs and expenses reasonably necessary or expedient in carrying out and accomplishing the purposes of this Part;
- (9) Be authorized and empowered to apply for and accept loans and grants of money from any federal agency or the State of North Carolina or any

political subdivision thereof or from any public or private sources available for any and all of the purposes authorized in this Article, and to expend the same in accordance with the directions and requirements attached thereto, or imposed thereon by any such federal agency, the State of North Carolina, or any political subdivision thereof, or any public or private lender or donor, and to give such evidences of indebtedness as shall be required, provided, however, that no indebtedness of any kind incurred or created by the Authority shall constitute an indebtedness of the State of North Carolina, or any political subdivision thereof, and no such indebtedness shall involve or be secured by the faith, credit or taxing power of the State of North Carolina, or any political subdivision thereof;

- (10) Be authorized and empowered to act as agent for the United States of America, or any agency, department, corporation, or instrumentality thereof, in any matter coming within the purposes or powers of the Authority;
- (11) Have power to adopt, alter or repeal its own bylaws, rules and regulations governing the manner in which its business may be transacted and in which the power granted to it may be enjoyed, and may provide for the appointment of such committees, and the functions thereof, as the Authority may deem necessary or expedient in facilitating its business;
- (12) Be authorized and empowered to do any and all other acts and things in this Part authorized or required to be done, whether or not included in the general powers in this section mentioned; and
- (13) Be authorized and empowered to do any and all things necessary to accomplish the purposes of this Part: Provided, that said Authority shall not engage in shipbuilding.

The property of the Authority shall not be subject to any taxes or assessments thereon. Prior to taking any action under this subsection, the Authority may consult with the Advisory Budget Commission.

- (b) In order to execute the powers enumerated in subsection (a), the Authority shall determine the policies of the North Carolina State Ports Authority by majority vote of all members of the Authority present and voting. Once a policy is determined, the Authority shall communicate it to the Executive Director, who shall have the sole and exclusive authority to execute the policy of the Authority. No member of the Authority shall have responsibility or authority to give operational directives to any employee of the North Carolina State Ports Authority other than the Executive Director.
- (c) Notwithstanding any other provision of this section, the Authority shall submit its annual operating budget and plan to the Board of Transportation on or before May 15 of each year.

1 (d) It is the intent of the General Assembly that any appropriations for capital
2 projects of the State Ports Authority made after July 1, 1995, shall not come from the
3 Highway Fund."
4 Sec. 8. G.S. 143B-455, as recodified as G.S. 143B-363.4 by Section 2 of this

Sec. 8. G.S. 143B-455, as recodified as G.S. 143B-363.4 by Section 2 of this act, reads as rewritten:

"§ 143B-363.4. Approval of acquisition and disposition of real property.

Any transactions relating to the acquisition or disposition of real property or any estate or interest in real property, by the North Carolina State Ports Authority, shall be subject to prior review by the Governor and Council of State, and shall become effective only after the same has been approved by the Governor and Council of State. Upon the acquisition of real property or other estate therein, by the North Carolina State Ports Authority, the fee title or other estate shall vest in and the instrument of conveyance shall name the 'North Carolina State Ports Authority' as grantee, lessee, or transferee. Upon the disposition of real property or any interest or estate therein, the instrument of conveyance or transfer shall be executed by the North Carolina State Ports Authority. The approval of any transaction by the Governor and Council of State may be evidenced by a duly certified copy of excerpt of minutes of the meeting of the Governor and Council of State, attested by the private secretary to the Governor or the Governor, reciting such approval, affixed to the instrument of acquisition or transfer, and said certificate may be recorded as a part thereof, and the same shall be conclusive evidence of review and approval of the subject transaction by the Governor and Council of State. The Governor, acting with the approval of the Council of State, may delegate the review and approval of such classes of lease, rental, easement, or right-of-way transactions as he deems advisable, and he may likewise delegate the review and approval of the severance of buildings and timber from the land.

In addition to the above requirements, any acquisition or disposition of any interest in real property of a fair market value of five hundred thousand dollars (\$500,000) or more shall require the prior approval of the Board of Transportation."

Sec. 9. G.S. 143B-456(b), as recodified as G.S. 143B-363.6(b) by Section 2 of this act, reads as rewritten:

"(b) Prior to the sale and delivery of any bonds or notes by the Authority, the Governor and the Board of Transportation shall approve the general purposes of and the general security provisions for any such bonds or notes. Such bonds or notes may be sold in such manner, either at public or private sale, and for such price as the Authority shall determine. Bonds or notes may be issued under the provisions of this Part without obtaining, except as otherwise expressly provided in this Part, the consent of any department, division, commission, board, body, bureau or agency of the State, and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions or things which are specifically required by this Part and the provisions of the resolution authorizing the issuance of such bonds or notes or the trust agreement securing the same. Prior to taking any action under this subsection, the Governor may consult with the Advisory Budget Commission."

Sec. 10. G.S. 143B-431(a) reads as rewritten:

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"§ 143B-431. Department of Commerce – functions.

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- (a) The functions of the Department of Commerce, except as otherwise expressly provided by Article 1 of this Chapter or by the Constitution of North Carolina, shall include:
 - (1) All of the executive functions of the State in relation to economic development including by way of enumeration and not of limitation, the expansion and recruitment of environmentally sound industry, labor force development, the promotion of and assistance in the orderly development of North Carolina counties and communities, the promotion and growth of the travel and tourism industries, the development of our State's ports, energy resource management and energy policy development;
 - (2) All functions, powers, duties and obligations heretofore vested in an agency enumerated in Article 15 of Chapter 143A, to wit:
 - a. The State Board of Alcoholic Control,
 - b. The North Carolina Utilities Commission.
 - c. The Employment Security Commission,
 - d. The North Carolina Industrial Commission,
 - e. State Banking Commission and the Commissioner of Banks,
 - f. Savings and Loan Association Division,
 - g. The State Savings Institutions Commission,
 - h. Credit Union Commission,
 - i. The North Carolina Milk Commission.
 - j. The North Carolina Mutual Burial Association Commission,
 - k. The North Carolina Rural Electrification Authority,
 - 1. The North Carolina State Ports Authority.

all of which enumerated agencies are hereby expressly transferred by a Type II transfer, as defined by G.S. 143A-6, to this recreated and reconstituted Department of Commerce; and,

- (3) All other functions, powers, duties and obligations as are conferred by this Chapter, delegated or assigned by the Governor and conferred by the Constitution and laws of this State. Any agency transferred to the Department of Commerce by a Type II transfer, as defined by G.S. 143A-6, shall have the authority to employ, direct and supervise professional and technical personnel, and such agencies shall not be accountable to the Secretary of Commerce in their exercise of quasijudicial powers authorized by statute, notwithstanding any other provisions of this Chapter, provided that the authority of the North Carolina State Ports Authority to employ, direct and supervise personnel shall be as provided in Part 10 of this Article. Chapter."
- Sec. 11. G.S. 143B-433(a) reads as rewritten:
- 42 "(a) (1) The North Carolina Alcoholic Beverage Control Commission, 43 (2) The North Carolina Utilities Commission,

- The Employment Security Commission, (3) 1 2 (4) The North Carolina Industrial Commission, 3 (5) State Banking Commission, Savings and Loan Association Division, 4 (6) 5 The State Savings Institutions Commission, **(7)** 6 (8) Credit Union Commission. 7 (9) The North Carolina Milk Commission, 8 (10)The North Carolina Mutual Burial Association Commission, 9 (11)North Carolina Cemetery Commission, 10 (12)The North Carolina Rural Electrification Authority, (13)Repealed by Session Laws 1985, c. 757, s. 179(d), 11 12 (14)North Carolina Science and Technology Research Center. 13 (15)The North Carolina State Ports Authority, 14 (16)North Carolina National Park, Parkway and Forests Development 15 Council, 16 **(17)** Economic Development Board, 17 (18)Labor Force Development Council, 18 (19)Energy Policy Council, 19 (20)Energy Division, 20 Navigation and Pilotage Commissions established by Chapter 76 of the (21)21 General Statutes.
 - (22)Repealed by Session Laws 1993, c. 321, s. 313(b)."

Sec. 12. G.S. 143B-346 reads as rewritten:

"§ 143B-346. Department of Transportation – purpose and functions.

The general purpose of the Department of Transportation is to provide for the necessary planning, construction, maintenance, and operation of an integrated statewide transportation system for the economical and safe transportation of people and goods as provided for by law. The Department shall also provide and maintain an accurate register of transportation vehicles as provided by statutes, and the Department shall enforce the laws of this State relating to transportation safety assigned to the Department. Department of Transportation shall be responsible for all of the transportation functions of the executive branch of the State as provided by law except those functions delegated to the Utilities Commission, the State Ports Authority, Commission and the Commissioners of Navigation and Pilotage as provided for by Chapter 76. The major transportation functions include aeronautics, highways, mass transportation, motor vehicles, State ports, and transportation safety as provided for by State law. The Department of Transportation shall succeed to all functions vested in the Board of Transportation and the Department of Motor Vehicles on July 1, 1977."

- Sec. 13. G.S. 143B-350 is amended by adding a new subsection to read:
- 40 In addition to the above duties and powers, the Board of Transportation shall have the following duties and powers in regard to the State Ports Authority:

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- (1) To approve all capital improvement projects, equipment purchases, and facility maintenance projects requiring the expenditure of funds in excess of five hundred thousand dollars (\$500,000);
 - (2) To review and approve the annual operating budget and plan which the State Ports Authority shall submit on or before May 15 of each year."

Sec. 14. The Office of State Personnel shall undertake a comprehensive review of the personnel policies and procedures of the North Carolina State Ports Authority and the salaries, benefits, and other terms and conditions of employment with the Ports Authority, and shall determine whether it would be beneficial to include the employees of the Ports Authority under the State Personnel Act. Upon request of the Office of State Personnel, all other State departments and agencies shall furnish to the Office of State Personnel any information in their possession or available to them. The Office of State Personnel shall submit a final report of its findings and recommendations to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Joint Legislative Transportation Oversight Committee, and the Legislative Library by April 1, 1996.

Sec. 15. This act becomes effective July 1, 1995.