

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 788 Natural Heritage Fund/Private Grants

SHORT TITLE: Natural Heritage Fund/Private Grants

SPONSOR(S): Senators Clodfelter; Dannelly; Gulley, Horton, and Odom

FISCAL IMPACT

Yes () No () No Estimate Available ()

FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04

REVENUES

EXPENDITURES

No Significant Fiscal Impact

POSITIONS:

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: Department of Environment and Natural Resources; Natural Heritage Trust Fund

EFFECTIVE DATE: July 1, 1999 and applies to acquisitions of land with funds from the Natural Heritage Trust Fund on or after that date.

BILL SUMMARY: S 788. NATURAL HERITAGE FUND/PRIVATE GRANTS. TO AUTHORIZE CERTAIN PRIVATE NONPROFIT LAND CONSERVATION ORGANIZATIONS TO ACQUIRE CERTAIN LANDS WITH FUNDS FROM THE NATURAL HERITAGE TRUST FUND UNDER CERTAIN CONDITIONS. Amends GS 113-77.9 to allow a private nonprofit land conservation organization to acquire lands selected by trustees of Natural Heritage Trust Fund, pursuant to GS 113-77.9(b)(1) or (b)(2), but not (b)(3), if the organization (a) is organized to receive and administer lands for conservation purposes and is qualified to receive charitable contributions pursuant to GS 105-130.9; (b) enters into a management agreement with Secretary of DENR; (c) dedicates the land as a nature preserve pursuant to GS 113A-164.6; and (d) executes deed of assignment for state to assume control of land if organization ceases to exist or Secretary determines organization has failed to enforce terms of management agreement. Makes

additional conforming changes. Effective July 1, 1999; applies to land acquisitions funded by Natural Heritage Trust Fund on or after that date.¹

ASSUMPTIONS AND METHODOLOGY: The General Assembly created the Natural Heritage Trust Fund (NHTF) in 1987 to serve as a supplemental funding source for state agencies to acquire and protect natural areas, and to conduct inventories on natural heritage areas. State agencies eligible to apply for grants under the NHTF include: the Department of Environment and Natural Resources, the Wildlife Resources Commission, the Department of Cultural Resources, and the Department of Agriculture and Consumer Services. Funding for the NHTF comes from the deed stamp tax (an excise tax levied on transfers of real estate), fees from special registration plates, and investment earnings. Twenty-five percent of the state's portion of the deed stamp tax is dedicated for the NHTF; the remaining seventy-five percent is dedicated to the Parks and Recreation Trust Fund.

Under current law, state agencies may enter into management agreements or leases with cities, towns, and counties, or non-profit organizations to aid in land management. Senate Bill 788 allows private, non-profit land conservation organizations to acquire land under the NHTF guidelines provided the following conditions are met:

- ❖ the organization is structured to receive and administer lands for conservation purposes and is qualified to receive charitable contributions pursuant to GS 105-130.9;
- ❖ the organization enters into a management agreement with Secretary of DENR;
- ❖ the organization dedicates the land as a nature preserve pursuant to GS 113A-164.6; and
- ❖ the organization executes deed of assignment for state to assume control of land if organization ceases to exist or Secretary determines organization has failed to enforce terms of management agreement.

Senate Bill 788 essentially allows private, non-profit land conservation organizations to enter into the NHTF grant application process. By allowing these organizations to apply and acquire land under the NHTF, the overall pool of funds available to state agencies could potentially decrease. The legislation is permissive, and does not appear to impose any significant fiscal impact on either the trust fund or the department. Any potential administrative costs to implement this act could be paid for by the NHTF as authorized under G.S. 113-77.9.

FISCAL RESEARCH DIVISION 733-4910

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DATE: Wednesday, April 28, 1999



Signed Copy Located in the NCGA Principal Clerk's Offices

¹ *Daily Bulletin*, Institute of Government, UNC-Chapel Hill, Vol. 1999, No. 41, April 7, 1999.