

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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SENATE BILL 1252  
Agriculture/Environment/Natural Resources Committee Substitute Adopted  
7/25/02

Short Title: Land Conservation Statutes Amendments.

(Public)

Sponsors:

Referred to:

June 6, 2002

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAND CONSERVATION STATUTES OF THE STATE  
OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 113A-231 reads as rewritten:

**"§ 113A-231. Program to accomplish conservation purposes.**

The Department of Environment and Natural Resources shall develop a nonregulatory program that uses conservation tax credits as a prominent tool to accomplish conservation purposes, including the maintenance of ecological systems. As a part of this program, the Department shall exercise its powers to protect real property and interests in real property: donated for tax credit under G.S. 105-130.34 or G.S. 105-151.12; conserved with the use of other financial incentives; or, conserved through nonregulatory programs. The Department shall call upon the Attorney General for legal assistance in developing and implementing the program."

**SECTION 2.** G.S. 113A-232 reads as rewritten:

**"§ 113A-232. Conservation Grant Fund.**

(a) Fund Created. – The Conservation Grant Fund is created within the Department of Environment and Natural Resources. The Fund shall be administered by that Department. The purpose of the Fund is to stimulate the use of conservation ~~easements, easements and conservation tax credits,~~ to improve the capacity of private nonprofit land ~~trusts—trust~~ organizations to successfully accomplish conservation projects, to better equip real estate related professionals to pursue opportunities for conservation, to increase ~~citizen~~ landowner participation in land and water conservation, and to provide an opportunity to leverage private and other public monies for conservation easements.

(b) Fund Sources. – The Conservation Grant Fund shall consist of any monies appropriated to it by the General Assembly and any monies received from public or private sources. Unexpended monies in the Fund that were appropriated from the

1 General Fund by the General Assembly shall revert at the end of the fiscal year unless  
2 the General Assembly otherwise provides. Unexpended monies in the Fund from other  
3 sources shall not revert and shall remain available for expenditure in accordance with  
4 this Article.

5 (c) Property Eligibility. – In order for ~~land~~-real property or an interest in real  
6 property to be the subject of a grant under this Article, the ~~land~~-real property or interest  
7 in real property must possess or have a high potential to possess ecological value, must  
8 be reasonably restorable, and must qualify for tax credits under G.S. 105-130.34 or G.S.  
9 105-151.12.

10 (c1) Grant Eligibility. – State conservation land management agencies, local  
11 government conservation land management agencies, and private nonprofit land trust  
12 organizations are eligible to receive grants from the Conservation Grant Fund. Private  
13 nonprofit land trust organizations must be qualified pursuant to G.S. 105-130.34 and  
14 G.S. 105-151.12 and must be certified under section 501(c)(3) of the Internal Revenue  
15 Code.

16 (d) Use of Revenue. – Revenue in the Conservation Grant Fund may be used  
17 only for the following purposes:

- 18 (1) The administrative costs of the Department in administering the Fund.
- 19 (2) Conservation grants made in accordance with this Article.
- 20 (3) To establish an endowment account, the interest from which will be  
21 used for a purpose described in ~~G.S. 113A-233(a)(3) or (a)(5).~~ G.S.  
22 113A-233(a)."

23 **SECTION 3.** G.S. 113A-233 reads as rewritten:

24 "**§ 113A-233. Uses of a grant from the Conservation Grant Fund.**

25 (a) Allowable Uses. – A grant from the Conservation Grant Fund may be used  
26 only to pay for one or more of the following costs:

- 27 (1) Reimbursement for total or partial transaction costs for donations of  
28 real property or an interest in real property from individuals or  
29 corporations satisfying either of the following:
  - 30 a. Insufficient financial ability to pay all costs or insufficient  
31 taxable income to allow these costs to be included in the  
32 donated value.
  - 33 b. Insufficient tax burdens to allow these costs to be offset by the  
34 value of tax credits under G.S. 105-130.34 or G.S. 105-151.12  
35 or by charitable deductions.
- 36 (2) Management support, including initial baseline inventory and  
37 planning.
- 38 (3) Monitoring compliance with conservation easements, the related use of  
39 riparian buffers, natural areas, and greenways, and the presence of  
40 ecological integrity.
- 41 (4) Education on conservation, including information materials intended  
42 for landowners and education for staff and volunteers.
- 43 (5) Stewardship of land.

1 (6) Transaction ~~costs,~~ costs for recipients, including legal expenses,  
2 closing and title costs, and unusual direct costs, such as overnight  
3 travel.

4 (7) Administrative costs for short-term growth or for building capacity.

5 (b) Prohibition. – The Fund shall not be used to pay the purchase price ~~for any~~  
6 interest in land of real property or an interest in real property."

7 **SECTION 4.** G.S. 113A-234 reads as rewritten:

8 "**§ 113A-234. Administration of grants.**

9 (a) Grant Procedures and Criteria. – The Secretary of Environment and Natural  
10 Resources shall establish the procedures and criteria for awarding grants from the  
11 Conservation Grant Fund. The criteria shall focus grants on those areas, approaches, and  
12 techniques that are likely to provide the optimum positive effect on environmental  
13 protection. The Secretary shall make the final decision on the award of grants and shall  
14 announce the award publicly in a timely manner.

15 (b) Grant Administration. – The Secretary may administer the grants under this  
16 Article or may contract for selected activities under this Article. If administrative  
17 services are contracted, the Department shall establish guidance and criteria for its  
18 operation and contract with a statewide nonprofit land trust service organization."

19 **SECTION 5.** G.S. 113A-235 reads as rewritten:

20 "**§ 113A-235. Conservation easements.**

21 (a) Acquisition and Protection of Conservation Easements. – Ecological systems  
22 and appropriate public use of these systems may be protected through conservation  
23 easements, including conservation agreements under Article 4 of Chapter 121 of the  
24 General Statutes, the Conservation and Historic Preservation Agreements Act, and  
25 conservation easements under the Conservation Reserve Enhancement Program. The  
26 Department of Environment and Natural Resources shall work cooperatively with State  
27 and local agencies and qualified nonprofit organizations to monitor compliance with  
28 conservation easements and conservation agreements and to ensure the continued  
29 viability of the protected ecosystems. Soil and water conservation districts established  
30 under Chapter 139 of the General Statutes may acquire easements under the  
31 Conservation Reserve Enhancement Program by purchase or gift.

32 (b) Conveyance of Conservation Lands. – The Department may convey real  
33 property or an interest in real property that has been acquired ~~under the Conservation~~  
34 ~~Reserve Enhancement Program~~ for conservation in perpetuity to a federal or agency,  
35 State agency, a local government, or a private, private nonprofit conservation  
36 organization to acquire, manage, organization in accordance with State law governing  
37 the conveyance of real property. The grantee of real property or an interest in real  
38 property shall manage and maintain the real property or an interest in real property for  
39 the purposes set out in subsection (a) of this section. When conveying real property or  
40 an interest in real property under this subsection, the Department shall retain a  
41 possibility of reverter, a right of entry, or other appropriate property interest. A grantee  
42 of real property or an interest in real property under this subsection shall grant a  
43 conservation easement in the real property or interest in real property to the Department  
44 in a form that is acceptable to the Department.

1       (c) Report. – The Department shall report on the implementation of this Article  
2 to the Environmental Review Commission no later than 1 November of each year. The  
3 Department shall maintain an inventory of all conservation easements held by the  
4 Department. The inventory shall be included in the report required by this subsection."

5               **SECTION 6.** This act is effective when it becomes law.