

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**D**

**HOUSE DRH70761-LB-508A (5/15)**

Short Title: UNC Operating/Capital Funds/Airport Auth. (Public)

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Sponsors: Representative Yongue.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE OPERATING AND CAPITAL FUNDS TO THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA AND TO ALLOW THE UNIVERSITY OF NORTH CAROLINA TO CREATE AIRPORT AUTHORITIES TO SUPPORT THE MISSION OF THE UNIVERSITY, ITS CONSTITUENT INSTITUTIONS, OR THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM.

The General Assembly of North Carolina enacts:

**SECTION 1.** There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of two hundred eighty-three million four hundred seventy-one thousand nine hundred five dollars (\$283,471,905) in recurring funds and twenty-seven million six hundred twenty thousand (\$27,620,000) in nonrecurring funds for the 2008-2009 fiscal year to be used for the following purposes:

(1)	Campus Safety	\$11,700,000
		\$17,500,000 NR
(2)	Academic Salary Increases	\$153,847,371
(3)	Student Success, Retention & Graduation	\$ 300,000 NR
(4)	Research and Competitiveness	\$58,839,711
		\$ 7,800,000 NR
(5)	More and Better Teachers & Improved Schools	\$ 8,504,800
(6)	Health Care	\$24,000,000
(7)	Economic Development	\$23,668,750
(8)	UNC Systems Support & Data Integration	\$ 1,957,751
		\$ 2,020,000 NR
(9)	Affiliated Entities	\$ 953,522

**SECTION 2.** There is appropriated from the General Fund to the Board of Governors of The University of North Carolina the sum of thirty-four million six

1 hundred sixty-seven thousand two hundred sixty-four dollars (\$34,667,264) in recurring  
 2 funds for the 2008-2009 fiscal year to support enrollment changes over original  
 3 projection for the 2008-2009 academic year.

4 **SECTION 3.** The Board of Governors of The University of North Carolina  
 5 is authorized to reprogram funds budgeted for contract slots with universities in other  
 6 states that support dentistry, medicine, and optometry. Funds shall be reprogrammed to  
 7 expand the Board of Governors' Medical Scholarship Program and the Board of  
 8 Governors' Dental Scholarship Program. The Board of Governors shall make these  
 9 transfers each fiscal year as contract slots are phased out.

10 **SECTION 4.** There is appropriated from the General Fund to the Board of  
 11 Governors of The University of North Carolina the sum of seven hundred thirty-seven  
 12 million two hundred ninety-three thousand three hundred forty dollars (\$737,293,340)  
 13 in non-recurring funds for the 2008-2009 fiscal year to fund the following capital  
 14 improvement projects:

	2008-2009
(1) Fire Safety Improvements	\$38,500,000
(2) ECU School of Dentistry	\$62,000,000
(3) ECSU School of Education Building	\$18,000,000
(4) NCA&T General Classroom Instructional Facility	\$20,487,000
(5) NCCU School of Nursing Building	\$22,500,000
(6) NCSSM Discovery Science Labs/ Classrooms/Resident Hall	\$66,663,000
(7) NCSU Centennial Campus Library	\$97,000,000
(8) UNC-CH School of Dentistry Oral Sciences Building	\$69,000,000
(9) UNC-C Energy Production Infrastructure Center	\$57,218,000
(10) UNC-G Academic Classroom & Office Building	\$42,667,000
(11) WSSU Student Activity Center Budget Supplement	\$ 9,799,000
(12) Land Acquisition	\$25,000,000
(13) ASU College of Nursing and Health Sciences Building – Planning	\$ 4,200,000
(14) ECU New Family Medicine/Geriatric Center	\$36,800,000
(15) ECSU School of Aviation Complex	\$14,500,000
(16) FSU Teaching Education and General Classroom Building – Planning	\$ 4,272,100
(17) NCA&T Joint Primary Data Center Planning (with UNC-G)	\$ 2,315,020
(18) NCSA Central Storage Facility Planning	\$ 1,110,000
(19) NCSU Engineering Complex Planning	\$21,373,400
(20) UNC-A Carmichael Hall and University Lecture Hall – Planning	\$ 2,680,100
(21) UNC-CH Carolina North Development Phase 1 – Planning	\$16,900,000
(22) UNC-CH Biomedical Research Imaging	\$19,500,000

1	Center – Complete Planning	
2	(23) UNC-C Science Building – Planning	\$12,000,000
3	(24) UNC-G Joint Primary Data Center	\$ 2,315,020
4	Planning (with NCA&T)	
5	(25) UNC-P Information Commons Building Planning	\$ 5,000,000
6	(26) UNC-W Allied Health and Human	\$ 4,320,000
7	Sciences Building – Planning	
8	(27) WCU Education and Allied Professions	\$ 4,018,700
9	Building – Planning	
10	(28) WSSU Sciences and General Office Building	\$24,900,000
11	(29) WSSU/NCSA Center for Design	\$ 1,500,000
12	Innovation – Site Preparation	
13	(30) UNC Health Care Inpatient Bed Tower	\$16,275,000
14	and Operating Room Facility – Planning	
15	(31) Upper Coastal Plain Higher Education Center	\$14,480,000

16 **SECTION 5.** G.S. 116-11 is amended by adding a new subdivision to read:

17 "(12c) The Board of Governors may create airport authorities to support the  
 18 missions of The University of North Carolina, its constituent  
 19 institutions, or the University of North Carolina Health Care System.  
 20 An authority so created shall be a political subdivision of the State.  
 21 The territorial jurisdiction of the authority shall be a county or counties  
 22 in which the authority operates, or proposes to operate, an airport.  
 23 Article 33 of this Chapter provides for such authorities."

24 **SECTION 6.** Chapter 116 of the General Statutes is amended by adding a  
 25 new Article to read:

26 "Article 33.

27 "Airport Authorities.

28 "**§ 116-271. General provisions.**

29 (a) As provided by G.S. 116-11(12c), the Board of Governors may create airport  
 30 authorities to support the missions of The University of North Carolina, its constituent  
 31 institutions, or the University of North Carolina Health Care System. An authority so  
 32 created shall be a political subdivision of the State. The territorial jurisdiction of the  
 33 authority shall be one or two listed counties in which the authority operates, or proposes  
 34 to operate, an airport.

35 (b) To create an airport authority under this Article, the Board of Governors by  
 36 resolution shall name the authority and list the county or counties in which the airport  
 37 authority is proposed to operate an airport. If a resolution names two counties, it may  
 38 later be amended to reduce the number of counties to one.

39 "**§ 116-272. Systemwide authority membership.**

40 (a) Where an airport authority is created to support the mission of The University  
 41 of North Carolina System, it shall consist of 11 members: six members shall be  
 42 appointed to three-year terms by the Board of Governors upon recommendation of the  
 43 President, provided that three of the initial members so appointed shall serve terms of  
 44 three years and three shall serve terms of two years; three members shall be appointed

1 by the board of commissioners of the county or counties having territorial jurisdiction  
2 over the authority as provided by subsections (b) through (d) of this section; and two  
3 members shall be appointed by the municipalities within that county or counties as  
4 provided by subsections (e) through (g) of this section.

5 (b) Where there is a single county with territorial jurisdiction over the authority,  
6 the board of commissioners shall appoint three members. One of the initial members  
7 shall be appointed for a one-year term, one for a two-year term, and one for a three-year  
8 term. Successors shall be appointed for three-year terms.

9 (c) When there are two counties with territorial jurisdiction over the authority,  
10 the Board of Governors shall designate one county to appoint two members and the  
11 other county to appoint one member. The county with two members shall appoint one  
12 initial member for a two-year term and one initial member for a one-year term. The  
13 county with one member shall appoint one initial member for a three-year term.

14 (d) If the Board of Governors has initially designated two counties having  
15 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
16 the seat of the member or members of the county or counties no longer having territorial  
17 jurisdiction over the authority is vacated on the date specified by the resolution, and the  
18 remaining county shall appoint a person or persons to fill the remainder of the unexpired  
19 term or terms.

20 (e) Where there is a single county with territorial jurisdiction over the authority,  
21 the municipality with the largest population within that county based on the most recent  
22 decennial federal census shall appoint one member for a two-year term. The  
23 municipalities with the second and third largest populations within that county based on  
24 the most recent decennial federal census shall alternately appoint one member for a  
25 two-year term, with the second largest municipality making the initial appointment.

26 (f) Where there are two counties with territorial jurisdiction over the authority,  
27 the municipality with the largest population within those counties based on the most  
28 recent decennial federal census shall appoint one member for a two-year term. The  
29 municipalities with the second and third largest populations within those counties based  
30 on the most recent decennial federal census shall alternately appoint one member for a  
31 two-year term, with the second largest municipality making the initial appointment.

32 (g) If the Board of Governors has initially designated two counties having  
33 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
34 all municipally appointed seats on the authority are vacated and new appointments made  
35 in accordance with subsection (e) of this section.

36 (h) All vacancies on the authority shall be filled by the governing board  
37 authorized to make the initial appointment, and the appointment is for the remainder of  
38 the unexpired term.

39 **"§ 116-273. Single or multi-institution authority membership**

40 (a) Where an airport authority is created to support the mission of a particular  
41 constituent institution of The University of North Carolina, it shall consist of 11  
42 members: six members shall be appointed to three-year terms by the Board of  
43 Governors upon recommendation of the Board of Trustees of that constituent institution,  
44 provided that three of the initial members so appointed shall serve terms of three years

1 and three shall serve terms of two years; three members shall be appointed by the board  
2 of commissioners of the county or counties having territorial jurisdiction over the  
3 authority as provided by subsections (b) through (d) of this section; and two members  
4 shall be appointed by the municipalities within that county or counties as provided by  
5 subsections (e) through (g) of this section. An airport authority may also be created to  
6 support the mission of two constituent institutions, and in that case, the six members  
7 appointed by the Board of Governors shall include an equal number of representatives  
8 of each such constituent institution unless it is impossible to do so, in which case the  
9 Board of Governors shall determine a fair representation on the airport authority from  
10 each such constituent institution.

11 (b) Where there is a single county with territorial jurisdiction over the authority,  
12 the board of commissioners shall appoint three members. One of the initial members  
13 shall be appointed for a one-year term, one for a two-year term, and one for a three-year  
14 term. Successors shall be appointed for three-year terms.

15 (c) When there are two counties with territorial jurisdiction over the authority,  
16 the Board of Governors shall designate one county to appoint two members and the  
17 other county to appoint one member. The county with two members shall appoint one  
18 initial member for a two-year term and one initial member for a one-year term. The  
19 county with one member shall appoint one initial member for a three-year term.

20 (d) If the Board of Governors has initially designated two counties having  
21 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
22 the seat of the member or members of the county or counties no longer having territorial  
23 jurisdiction over the authority is vacated on the date specified by the resolution, and the  
24 remaining county shall appoint a person or persons to fill the remainder of the unexpired  
25 term or terms.

26 (e) Where there is a single county with territorial jurisdiction over the authority,  
27 the municipality with the largest population within that county based on the most recent  
28 decennial federal census shall appoint one member for a two-year term. The  
29 municipalities with the second and third largest populations within that county based on  
30 the most recent decennial federal census shall alternately appoint one member for a  
31 two-year term, with the second largest municipality making the initial appointment.

32 (f) Where there are two counties with territorial jurisdiction over the authority,  
33 the municipality with the largest population within those counties based on the most  
34 recent decennial federal census shall appoint one member for a two-year term. The  
35 municipalities with the second and third largest populations within those counties based  
36 on the most recent decennial federal census shall alternately appoint one member for a  
37 two-year term, with the second largest municipality making the initial appointment.

38 (g) If the Board of Governors has initially designated two counties having  
39 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
40 all municipally appointed seats on the authority are vacated and new appointments made  
41 in accordance with subsection (e) of this section.

42 (h) All vacancies on the authority shall be filled by the governing board  
43 authorized to make the initial appointment, and the appointment is for the remainder of  
44 the unexpired term.

1 **"§ 116-274. UNC Health Care System authority membership**

2 (a) Where an airport authority is created to support the mission of The University  
3 of North Carolina Health Care System, it shall consist of 11 members: six members  
4 shall be appointed to three-year terms by the Board of Directors, provided that three of  
5 the initial members so appointed shall serve terms of three years and three shall serve  
6 terms of two years; three members shall be appointed by the board of commissioners of  
7 the county or counties having territorial jurisdiction over the authority as provided by  
8 subsections (b) through (d) of this section; and two members shall be appointed by the  
9 municipalities within that county or counties as provided by subsections (e) through (g)  
10 of this section.

11 (b) Where there is a single county with territorial jurisdiction over the authority,  
12 the board of commissioners shall appoint three members. One of the initial members  
13 shall be appointed for a one-year term, one for a two-year term, and one for a three-year  
14 term. Successors shall be appointed for three-year terms.

15 (c) When there are two counties with territorial jurisdiction over the authority,  
16 the Board of Governors shall designate one county to appoint two members and the  
17 other county to appoint one member. The county with two members shall appoint one  
18 initial member for a two-year term and one initial member for a one-year term. The  
19 county with one member shall appoint one initial member for a three-year term.

20 (d) If the Board of Governors has initially designated two counties having  
21 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
22 the seat of the member or members of the county or counties no longer having territorial  
23 jurisdiction over the authority is vacated on the date specified by the resolution, and the  
24 remaining county shall appoint a person or persons to fill the remainder of the unexpired  
25 term or terms.

26 (e) Where there is a single county with territorial jurisdiction over the authority,  
27 the municipality with the largest population within that county based on the most recent  
28 decennial federal census shall appoint one member for a two-year term. The  
29 municipalities with the second and third largest populations within that county based on  
30 the most recent decennial federal census shall alternately appoint one member for a  
31 two-year term, with the second largest municipality making the initial appointment.

32 (f) Where there are two counties with territorial jurisdiction over the authority,  
33 the municipality with the largest population within those counties based on the most  
34 recent decennial federal census shall appoint one member for a two-year term. The  
35 municipalities with the second and third largest populations within those counties based  
36 on the most recent decennial federal census shall alternately appoint one member for a  
37 two-year term, with the second largest municipality making the initial appointment.

38 (g) If the Board of Governors has initially designated two counties having  
39 territorial jurisdiction over the authority and later reduces it by resolution to one county,  
40 all municipally appointed seats on the authority are vacated and new appointments made  
41 in accordance with subsection (e) of this section.

42 (h) All vacancies on the authority shall be filled by the governing board  
43 authorized to make the initial appointment, and the appointment is for the remainder of  
44 the unexpired term.

1 **"§ 116-275. Capital financing.**

2 In addition to other powers granted by this Article, an airport authority created under  
3 this Article has authority to finance capital expenditures and operations as is generally  
4 granted the Board of Governors under this Chapter, including powers delegated to or  
5 conferred upon the constituent institutions or the University of North Carolina Health  
6 Care System.

7 **"§ 116-276. General powers.**

8 (a) An authority created under this Article has all powers that a city or county has  
9 under Articles 1 through 7 of Chapter 63 of the General Statutes.

10 (b) In addition to the powers granted by subsection (a) of this section, an  
11 authority created under this Article has the following powers:

12 (1) To sue and be sued in the name of the airport authority, and all  
13 pleadings served upon the airport authority shall be served on the  
14 chairperson or secretary of the airport authority.

15 (2) To expend funds appropriated to it from time to time for airport  
16 purposes and to expend funds received by the authority from fees,  
17 charges, rents, and dues arising out of the operation of the airport, the  
18 facilities, improvements, and concessions located thereat or operated  
19 thereon.

20 (3) To establish, construct, control, lease, maintain, improve, operate, and  
21 regulate an airport on lands acquired by it with buildings necessary to  
22 accommodate all types of business to operate an airport, runways, taxi  
23 ramps, parking ramps, and any equipment to operate an airport, to  
24 have complete authority for rules and regulations over all airport  
25 property for the control of all types of vehicular traffic, mobile or  
26 stationary, and pedestrian traffic with respect to areas or roadways not  
27 under the control of the Department of Transportation and any rules  
28 adopted by the airport authority for property exclusively under its  
29 control, and to have conjunctive authority to work with and cooperate  
30 with all duly constituted law enforcement agencies to enforce rules  
31 established by the State of North Carolina. The penalty for violation of  
32 rules established by the airport authority shall be a Class 3  
33 misdemeanor and, upon conviction, shall be punishable by a fine not to  
34 exceed fifty dollars (\$50.00) or imprisonment not to exceed 30 days.  
35 All rules and regulations so adopted by the airport authority shall be  
36 recorded by delivering true copies thereof certified by the chairperson  
37 and secretary of the authority to the Secretary of the Board of  
38 Governors and to the Secretary of State.

39 (4) For the public use or benefit, the authority shall possess the power of  
40 eminent domain and may acquire by purchase, gift, or condemnation  
41 any property for the purpose of establishing, extending, enlarging, or  
42 improving an airport. The authority is declared to be a local public  
43 condemnor under the provisions of Chapter 40A of the General  
44 Statutes and in exercising the powers of eminent domain shall follow

1           the procedures of Article 3 of Chapter 40A of the General Statutes.  
2           Title to the property and the right of immediate possession shall vest  
3           pursuant to subsection (a) of G.S. 40A-42. If property acquired by  
4           condemnation contains a burial ground or graveyard, then it shall be  
5           lawful for the airport authority after 30 days notice to the surviving  
6           spouse, or the next of kin of the deceased buried therein, or the person  
7           in control of the graves, if any are known, to remove the body interred  
8           therein and reinter the same in some cemetery in the same county. If  
9           no surviving spouse or next of kin or person in control can be found,  
10           then the airport authority can advertise for four consecutive weeks in a  
11           newspaper published in the county of the intended removal of the  
12           gravesite, and the removal shall be conducted under the supervision of  
13           the clerk of the superior court for that county or his or her  
14           representative, and the expense of such removal shall be borne by the  
15           airport authority. The airport authority may dispose of any real or  
16           personal property belonging to it according to the procedures described  
17           in Article 12 of Chapter 160A of the General Statutes.

18           (5) To lease to other entities for a term not to exceed 20 years and for  
19           purposes not inconsistent with airport purposes or usage, real or  
20           personal property or both, under the supervision of or administered by  
21           the airport authority.

22           (6) To contract with persons, firms, or corporations for terms not to  
23           exceed 20 years, for the operation of passenger and freight flights,  
24           scheduled or nonscheduled, and any other plane or flight activities not  
25           inconsistent with airport operations and to charge and collect  
26           reasonable fees, charges, and rents for the use of such property and  
27           services rendered in the operation thereof.

28           (7) To operate, own, control, regulate, lease, or grant to others the license  
29           to operate amusements or concessions for a term not exceeding 20  
30           years.

31           (8) To enter into contracts to pledge as security the property of the airport  
32           authority.

33           (9) To pledge any lease agreement to which it is a party as security for any  
34           loan.

35           (10) To adopt and use a seal.

36           (11) To contract with the Federal Aviation Administration of the United  
37           States of America or with the State of North Carolina or with any of  
38           the agencies or representatives of either of said governmental bodies  
39           relating to the grading, constructing, equipping, improving,  
40           maintaining, or operating of an airport or its facilities, or both.

41           (12) To receive refunds of sales and use taxes under G.S. 105-164.14(c).

42           (13) To accept grants, loans, or contributions from the United States, the  
43           State of North Carolina, or any agency or instrumentality of either of



1           them, or from any county or other municipality, and to expend the  
2           proceeds for any purposes of the authority.

3           (14) To accept grants, loans, or contributions from nonprofit organizations  
4           and to expend the proceeds for any purposes of the authority.

5           (15) To adopt organizational bylaws that shall include, but not be limited  
6           to, provision for election, duties, and terms of a Chair and Secretary.

7           (c) The authority shall enjoy governmental immunity, however, the authority  
8           may contract to insure itself and any of its officers, agents, or employees against  
9           liability for wrongful death or negligence or intentional damage to persons or property  
10           or against absolute liability for damage to persons or property caused by an act or  
11           omission of the authority or of any of its officers, agents, or employees when acting  
12           within the scope of their authority and the course of their employment. The members of  
13           the authority shall determine what liabilities and what officers, agents, and employees  
14           shall be covered by any insurance purchased pursuant to this provision.

15           Purchase of insurance pursuant to this provision waives the authority's governmental  
16           immunity to the extent of insurance coverage for any act or omission occurring in the  
17           exercise of a governmental function. By entering into an insurance contract with the  
18           authority, an insurer waives any defense based upon the governmental immunity of the  
19           authority.

20           If the authority has waived its governmental immunity pursuant to the foregoing  
21           provisions of this section, any person, or if he dies, his personal representative,  
22           sustaining damages as a result of an act or omission of the authority or any of its  
23           officers, agents, or employees occurring in the exercise of a governmental function, may  
24           sue the authority for recovery of damages. To the extent of the coverage of insurance  
25           purchased pursuant to this section, governmental immunity may not be a defense to the  
26           action. Otherwise, however, the authority has all defenses available to private litigants  
27           in any action brought pursuant to these provisions without restriction, limitation, or  
28           other effect whether the defense arises from common law or by virtue of a statute.

29           **§ 116-277. Cessation of operation.**

30           In the event of cessation of the operation of an airport established under this Article,  
31           or the abandonment of any of the property acquired hereunder for airport purposes, the  
32           title to such real or personal property or rights under any existing lease shall vest in The  
33           University of North Carolina, and upon the sale of any property after cessation of  
34           operations, the proceeds therefrom shall vest in the University."

35           **SECTION 7.** This act becomes effective July 1, 2008.