

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 754
SENATE BILL 1042

AN ACT TO MAKE APPROPRIATIONS TO PROVIDE CAPITAL IMPROVEMENTS FOR STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, EXCEPT FOR AID TO CERTAIN GOVERNMENTAL AND NONGOVERNMENTAL ENTITIES.

The General Assembly of North Carolina enacts:

—TITLE/PURPOSES

Section 1. This act shall be known as the "Capital Improvement Appropriations Act of 1989".

An outline of the provisions of the act follows this section. The outline shows the heading "—CONTENTS/INDEX—" and it lists by general category the descriptive captions for the various sections and groups of sections that make up the act.

—CONTENTS/INDEX—

(This outline is designed for reference only, and the outline and the corresponding entries throughout the act in no way limit, define, or prescribe the scope or application of the text of the act.)

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Sec. 2. The appropriations made by the 1989 General Assembly for capital improvements are for constructing, repairing or renovating State buildings, utilities, and other capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and land for State government purposes.

PART I.—PROCEDURES FOR DISBURSEMENTS

Sec. 3. The appropriations made by the 1989 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution or agency, until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the Director of the Budget shall approve the elements of the method of financing of those projects including the source of funds, interest rate, and liquidation period. Provided, however, that if the Director of the Budget approves the method of financing a project, he shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Where direct capital improvement appropriations include the purpose of furnishing fixed and movable equipment for any project, those funds for equipment shall not be subject to transfer into construction accounts except as authorized by the Director of the Budget. The expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and approved by the Director of the Budget prior to commitment of funds.

Capital improvement projects authorized by the 1989 General Assembly shall be completed, including fixed and movable equipment and furnishings, within the limits of the amounts of the direct or self-liquidating appropriations provided, except as otherwise provided in this act.

PART II.—CAPITAL IMPROVEMENTS/GENERAL FUND

Sec. 4. Appropriations are made from the General Fund for use by the State departments, institutions, and agencies to provide for capital improvement projects according to the following schedule:

	<u>1989-90</u>	<u>1990-91</u>
Department of Administration (Total)	\$27,104,500	\$18,400,000
1. Construction of New Steam Plant - State Government Complex in Raleigh	7,054,500	-
2. Reserve for Asbestos Removal	750,000	-
3. Life Safety Corrections- State Government Complex	100,000	-
4. North Carolina Aquariums Emergency Repairs and Renovations	-	-
	300,000	-
5. Construction of New Revenue Building	18,000,000	18,000,000
6. Veterans Cemetery Funds	400,000	400,000
7. Indian Cultural Center - Planning and Construction	500,000	-
<u>Department of Agriculture</u> (Total)	8,275,600	-
1. Construction of New Agronomics Lab	7,100,000	-
2. Garden Center Building Charlotte Regional Farmers' Market	-	-
	320,600	-
3. Purchase of Harborside Building - Beaufort	355,000	-
4. Irrigation System/Border Belt Tobacco Research Station	-	-
Total Requirements	90,800	-

Less: Receipts from Timber Sales	<u>90,800</u>	
Appropriation	-	-
5. Piedmont Triad Market - Planning for first Phase of Development	500,000	-
<u>Department of Transportation</u>		
1. Vietnam Veterans Memorial Park - Establishment of Park on Interstate 85 (Contingent upon match of \$1 non- State for each \$2 of State funds.)	150,000	-
<u>Board of Governors – University of North Carolina</u>		
(Total)	70,399,600	1,677,800
1. Board of Governors		
a. Funding for Remaining Projects of 1988 Supplemental Requests	10,000,000	-
b. Reserve for Repairs/Renovations; Utilities, Repairs and Improvements; Roads, Walks, and Drives; OSHA and Barrier Removal	6,000,000	-
c. Reserve for Land Acquisition	1,000,000	-
d. Reserve for Area Health Education Centers Construction Grants	- 1,500,000	-
2. N.C. State University		
a. Engineering Graduate Research Center	6,000,000	-
b. Agricultural Program- Animal Lab Facility- Planning	200,000	-
c. Centennial Campus Center Matching Funds	- 2,000,000	-
3. East Carolina University		
a. Joyner Library Addition	7,000,000	-
b. Center for Regional Advancement	1,000,000	-
4. East Carolina University	-	

	Medical School Vivarium Addition Planning	364,000	-
5.	UNC Classroom/Academic Support Facility	- Charlotte - Planning	840,000 -
6.	Fayetteville State University Construction of Indoor Health/ Physical Education Facility	8,000,000	1,677,800
7.	Appalachian State University a. Student Activities Center b. Academic Support Services Bldg.-Planning	3,000,000 1,000,000	- -
8.	UNC- Asheville Conference Center	4,000,000	-
9.	UNC - Wilmington Physical Sciences Bldg./ Renovation of Deloack Hall - Planning	656,000	-
10.	Elizabeth City State University Supplement for Dorm - Planning	131,000	-
11.	Pembroke State University Administration Building - Planning	276,000	-
12.	N. C. Arboretum Projects as outlined in Board of Governor's Request	1,250,000	-
13.	N. C. Central University Conversion of Women's Gym to Data Processing Center - Planning	158,000	-
14.	University of North Carolina at Chapel Hill a. School of Social Work Building	4,140,500	-

b.	School of Business Building (Matching Funds of \$5 million)	7,500,000	-
15.	University of North Carolina Hospitals at Chapel Hill Fire Alarm/Sprinkler System Upgrade	4,003,100	-
16.	Western Carolina University Completion of Belk Building/ Asbestos Removal - Planning	76,000	-
17.	Winston-Salem State University Student Services/Cafeteria/ Student Union Complex Planning	- 305,000	-
<u>Department of Commerce</u>			
	(Total)	8,000,000	-
1.	Hazardous Waste Treatment Commission - Reserve for Site Acquisition	2,000,000	-
2.	State Ports Authority Development		
a.	Morehead City Port	3,000,000	-
b.	Wilmington Port	3,000,000	-
<u>Department of Community Colleges</u>			
	(Total)	4,571,459	-
1.	Completion of Funding for Original 1984 Five Year Capital Needs Plan		
a.	Cape Fear Community College	500,000	-
b.	Catawba Valley Community College	650,000	-
c.	Caldwell Community College and Technical Institute	100,000	-
d.	Randolph Community College	1,200,000	-
e.	Halifax Community College	410,459	-
f.	Isothermal Community College	461,000	-

2.	Central Piedmont Community College - To construct third floor addition to the optical disk facility	400,000	-
3.	Repayment of Construction loans made between colleges	850,000	-
<u>Department of Crime Control and Public Safety</u>			
1.	National Guard - Expansion/Modification to Military Center Building in Raleigh	1,774,000	-
<u>Department of Cultural Resources</u>			
	(Total)	1,420,000	-
1.	Museum of the Albemarle Planning	- 150,000	-
2.	Thomas Wolfe Memorial Supplement to prior years' Funding for the Visitors' Center	- 75,000	-
3.	Zeigler House - Renovation and construction of an addition to be used as a Visitors' Center	463,000	-
4.	Charlotte Hawkins Brown State Historic Site - Improvements	482,000	-
5.	Spencer Shops - Renovation of the Round House	200,000	-
6.	Newbold-White House in Perquimans County - Land Acquisition	50,000	-
<u>Department of Human Resources</u>			
	(Total)	5,900,000	-
1.	Life Safety Code Improvement Projects	2,900,000	-
2.	Vocational Rehabilitation		

	Program - Purchase of Buildings at Wayne Community College	1,500,000	-
3.	Reserve for Area Mental Health Centers	1,500,000	-
<u>Department of Justice</u>			
1.	New State Bureau of Investigation Complex	12,186,000	6,322,000
<u>Department of Correction</u>			
	(Total)	2,940,200	1,955,600
1.	Reserve for electrical, heating, ventilating repairs at various field units	341,700	347,800
2.	Harnett Correctional Center Renovate present dorms	710,700	-
3.	Wastewater and water system improvements	1,832,600	133,400
4.	Repair and renovation of plumbing at 51 field units	-	517,600
5.	Morrison Youth-Fencing for Edwards dorm	55,200	-
6.	Renovate Dorm A at the North Carolina Correctional Institution for Women to house a substance abuse treatment program	-	62,800
7.	Renovations of Building A at Cherry Hospital in Goldsboro for a DWI Probation/Parole Treatment Facility	-	894,000
<u>Department of Natural Resources and Community Development</u>			

(Total)	15,098,300	-
1. State Parks System Reserve		
a. Repairs and Renovations/ Improvements	6,000,000	-
b. Land Purchases	2,000,000	-
2. Geological Survey Core Repository	250,900	-
3. Reserve for Critical Needs for Construction at Forest Resources County Headquarters	997,400	-
4. Reserve for Beach Access Land Acquisition	500,000	-
5. Reserve for Coastal Land Purchases	1,100,000	-
6. North Carolina - Zoological Park - Completion of the North American Phase	4,250,000	-
<u>Office of State Budget and Management</u>		
(Total)	25,127,449	23,258,542
1. Reserve for Repairs and Renovations (including demolition of State properties)	10,700,000	-
2. Reserve for Low-Level Radioactive Waste Site Selection	8,000,000	6,000,000
3. Executive Mansion Fund, Inc. Matching Funds for Restoration, Acquisitions and Operations	- 1,000,000	-
4. Prison Construction		
a. Columbus County Unit	3,619,581	-
b. Harnett Correctional Center	-	4,192,984
c. Pender County Unit	-	3,953,533

d.	Construction of a new 652-bed receiving and processing center	-	2,310,651
e.	Alamance County Unit	31,883	1,171,345
f.	Duplin County Unit	43,804	1,551,427
g.	Anson County Unit	38,813	1,518,702
h.	North Carolina Correctional Institution for Women - Kitchen/dining facility improvements	660,168	-
i.	Fountain Correctional Center Renovate building for female misdemeanor processing	332,200	-
j.	Nash - Sign Plant (ENTERPRISES)	701,000	-
k.	Harnett - Metal Products Plant (ENTERPRISES)	-	1,531,800
l.	Harnett - Tailoring Plant (ENTERPRISES)	-	1,028,100

GRAND TOTAL - GENERAL FUND \$182,947,108 \$51,613,942

PART III.—CAPITAL IMPROVEMENTS/GENERAL FUND/STATE AID

Sec. 5. Appropriations are made from the General Fund for use by the State departments, institutions, and agencies to provide for capital improvement/State aid projects according to the following schedule:

	<u>1989-90</u>	<u>1990-91</u>
<u>Department of Commerce</u>		
1. Biotechnology Center - Construction Grant for Matching Funds on a Dollar-for-Dollar Basis for New Headquarters Building	1,000,000	-
<u>Department of Cultural Resources</u>		
1. Reserve - Library Construction	500,000	-
<u>Office of State Budget and Management</u>		
(Total)	14,576,604	4,000,000
1. Clean Water and Sewer Program	10,000,000	-
2. Satellite Jail/Work		

Release Units	4,576,604	4,000,000
<u>Department of Natural Resources and Community Development</u>		
(Total)	2,650,000	-
1. Reserve for Civil Works Projects	2,200,000	-
2. Small Watershed Grant Program	450,000	-
<u>Office of State Treasurer</u>		
Solid Waste Revolving Fund	5,000,000	-
GRAND TOTAL - GENERAL FUND		
STATE AID	\$23,726,604	\$4,000,000

PART IV.—CAPITAL IMPROVEMENTS/HIGHWAY FUND

Sec. 6. Appropriations are made from the Highway Fund for use of the Department of Transportation to provide for capital improvement projects according to the following schedule:

Division of Highways

	<u>1989-90</u>	<u>1990-91</u>
1. Bridge Maintenance Office and Warehouse - Boone	\$200,900	-
2. Equipment Shop - Burnsville	566,600	-
3. Equipment Shop - Shallotte	438,000	-
4. Maintenance Office - Monroe	217,800	-
5. Repair Shop - Williamston	492,900	-
6. Materials and Test Lab - Statesville	283,800	-
7. Maintenance Yard Security Fence - Albemarle	40,900	-
8. Maintenance Yard Security Fence - Mt. Pleasant	18,900	-
9. Roof Replacement - Shelby	15,000	-
10. Maintenance Yard Security Fence - Lincolnton	22,700	-
11. Maintenance Yard Security Fence - Shelby	29,600	-
12. Maintenance Facility - Ocracoke	124,600	-

13.	Roof Replacements - Statewide	226,150	-
14.	Landscape/Sign Shop Renovation and Addition - Boone	43,400	-
15.	Rest Area - U.S. Highway 264 in Beaufort County	335,100	-
15.1.	Ferry Office and Restrooms - Pamlico River	125,000	-
16.	Salt Storage Shed - Hudson	69,100	-
17.	Landscape/Sign Shop Renovation - Elkin	9,900	-
18.	Maintenance Building Addition - N. Wilkesboro	38,000	-
19.	Maintenance Building Addition - Smethport	35,600	-
20.	Sign Shop - Union	100,000	-
21.	Storage Warehouse - Warrensville	53,900	-
22.	Foreman and Inspector Office Addition - Graham	19,400	-
23.	Bridge Maintenance Office Addition - Hudson	11,800	-
24.	Bridge Maintenance Office Addition - Monroe	24,700	-
25.	Bridge Maintenance Office Addition - Burgaw	24,700	-
26.	Roof Replacement - Central Equipment Office - Raleigh	164,100	-
27.	Bridge Maintenance Office Building - Hendersonville	87,600	-
28.	Blacksmith/Warehouse/Lumber Shed - Hendersonville	181,000	-
29.	Equipment Shop - Mocksville	100,000	-
30.	Repair Shop - Creswell	50,000	-
31.	Landscape Office and Warehouse - Graham	111,900	-
32.	Office, Assembly Room, and Office Addition - Maury	462,600	-
33.	Office, Assembly Room, and Office Addition - Kinston	25,100	-
34.	Roof Replacement - Storage Warehouse - Raleigh	10,400	-
35.	Division Equipment Shop - Carthage	200,000	-
36.	Equipment Shop - Sandy Ridge	60,000	-
37.	Landscape Warehouse - Wentworth	77,200	-

38.	Bridge Maintenance Office Building - Franklin	88,300	-
39.	Paint Warehouse and Truck Shed - Camp Burton	70,200	-
40.	Bridge Maintenance Office Renovation - Lexington	23,100	-
41.	District Equipment Shop - Asheboro	100,000	-
42.	Equipment Shop - Marion	90,000	-
43.	Maintenance Warehouse - Hillsborough	86,300	-
44.	Bridge Maintenance Office Building - Union	88,700	-
45.	New Division Complex - Fayetteville	500,000	-
46.	Maintenance Facility - Cherry Branch	250,000	-
47.	Maintenance Facility - Cedar Island	250,000	-
48.	Division Office Addition - Durham	655,000	-
49.	Manns Harbor - Cost Overrun on Marine Maintenance Facility	1,000,000	-
	Division of Highways Total	8,299,950	-

Division of Motor Vehicles

1.	Building Additions (5 Locations)	892,500	-
2.	Resurface Parking Lots (6 Locations)	91,800	-
3.	Roof Replacements (7 Locations)	89,300	-
4.	Warehouse and Office Building - Raleigh	1,681,300	-
	Division of Motor Vehicles Total	2,754,900	-

Department of Crime Control
and Public Safety

1.	Highway Patrol - Upgrade and Replace Underground Gas Storage Tanks	212,350	-
2.	Highway Patrol-Training Center		
	a. Helicopter Hangar	82,800	-
	b. Air Condition Dining Facility	51,700	-
3.	Highway Patrol - Design Fee for the Troop H, Headquarters Building, Charlotte/Monroe Area	42,380	-
4.	Highway Patrol - Additional Parts		

Storage for State Agency Vehicles	16,200	-
Highway Patrol Total	405,430	-
GRAND TOTAL - HIGHWAY FUND	\$11,460,280	-

PART V.—NONRECURRING OPERATING APPROPRIATIONS/GENERAL FUND

Sec. 7. Appropriations are made from the General Fund for nonrecurring purposes according to the following schedule:

	<u>1989-90</u>	<u>1990-91</u>
Department of Commerce		
1. Film Office Reserve Fund	\$100,000	-
<u>Department of Crime Control and Public Safety</u>		
1. Division of Emergency Management - Purchase emergency management radios for coastal counties	150,000	-
<u>Department of Natural Resources and Community Development</u>		
(Total)	531,080	-
1. Forest Resources Division Helicopters for fire suppression services	39,000	-
2. Division of Marine Fisheries		
a. Oyster Rehabilitation Program	392,080	-
b. Purchase of Aircraft	100,000	-
<u>University of North Carolina</u>		
(Total)	1,600,000	-
1. Board of Governors - Lump Sum Match for USDA Challenge Grant to N.C. A&T State University	600,000	-
2. UNC - Charlotte - Applied Research Center Equipment	1,000,000	-
GRAND TOTAL - GENERAL FUND	\$2,381,080	-

PART VI.—NONRECURRING OPERATING APPROPRIATIONS/HIGHWAY FUND

Sec. 8. Appropriations are made from the Highway Fund for nonrecurring purposes according to the following schedule:

	<u>1989-90</u>	<u>1990-91</u>
Department of Transportation		
1. For erection of Hurricane Emergency Evacuation Signs for Coastal Areas Subject to Hurricane Damage	\$100,000	-

PART VII.—NONRECURRING STATE AID APPROPRIATIONS/GENERAL FUND

Sec. 9. Appropriations are made from the General Fund for nonrecurring purposes according to the following schedule:

	<u>1989-90</u>	<u>1990-91</u>
Department of Commerce (Total)	\$5,500,000	-
1. Industrial Economic Development Fund	3,500,000	-
2. North Carolina Housing Finance Agency-Housing Partnership Program	2,000,000	-
<u>Department of Human Resources (Total)</u>	700,000	-
1. Division of Mental Health First Step Farm for Women	100,000	-
2. Division of Health Services		
a. Bowman-Gray School of Medicine Epilepsy Program	100,000	-
b. United Cerebral Palsy Group Homes and Developmental Centers	200,000	-
c. Hemophilia Assistance Program	50,000	-

3.	State Aid to Non-State Agencies Florence Crittenden Services, Inc.	250,000	-
<u>Department of Natural Resources and Community Development</u>			
	(Total)	1,750,000	-
1.	Division of Community Assistance		
a.	Main Street Cities Program	1,000,000	-
b.	Community Action Programs	250,000	-
2.	Land Records Management Matching funds for grants	500,000	-
<u>Office of State Budget and Management</u>			
	(Total)	7,298,000	-
1.	Piedmont Triad Airport Authority	700,000	-
2.	Discovery Place, Charlotte, N.C.	250,000	-
3.	North Carolina Performing Arts Center in Charlotte	2,000,000	-
4.	Roanoke Island Historical Association - Land purchase	250,000	-
5.	Piedmont Triad Regional Water Authority	1,000,000	-
6.	A.A. Cunningham Air Museum Foundation	500,000	-
7.	Community Self-Help, Inc.	2,000,000	-
8.	Cumberland County Area Mental Health-Myrover-Reese Substance Abuse Treatment Facility	125,000	-
9.	Marine Research and Development Crescent	98,000	-

10.	Thelonious Monk Institute of Jazz	250,000	-
11.	North Carolina International Folk Festival, Inc. Folk moot USA, Haywood County	75,000	-
12.	Montgomery County - Economic Development	50,000	-
GRAND TOTAL - GENERAL FUND		\$15,248,000	-

PART VIII.—SPECIAL PROVISIONS

Requested by: Senator Royall, Representative Diamont
—AREA MENTAL HEALTH CENTER RESERVE

Sec. 10. Of the funds appropriated in this act to the Department of Human Resources for a Reserve for Area Mental Health Centers, the Department shall allocate no more than \$500,000 for any one area mental health center.

Requested by: Senator Royall, Representative Diamont
—UNC CONSTRUCTION FUNDS/RESTRICTED RESERVE

Sec. 11. Of the funds appropriated to the Board of Governors of The University of North Carolina for construction, the following amounts are to be placed in a restricted reserve:

(1)	North Carolina State University Engineering Graduate Research Center	\$6,000,000
(2)	University of North Carolina - Chapel Hill	
	(a) School of Business	6,500,000
	(b) Social Work Building	4,140,500
(3)	East Carolina University - Joyner Library	6,000,000
(4)	University of North Carolina at Asheville Conference Center	<u>4,000,000</u>
		\$26,640,500

None of these funds shall be obligated during fiscal year 1989-90, and, shall be held in reserve until the General Assembly appropriates the additional construction needs for these projects.

Requested by: Senator Royall, Representative Diamont
—NEWBOLT-WHITE HOUSE/STATE LAND

Sec. 12. Land purchased from funds appropriated in this act for land acquisition for the historic Newbolt-White House in Perquimans County shall be deeded to the State.

Requested by: Senator Ward, Representatives Holmes, G. Wilson
—COMMUNITY COLLEGE CAPITAL FUNDS/PERMANENT

Sec. 13. Funds appropriated for the 1989-90 fiscal year to the Department of Community Colleges and allocated to local institutions for capital projects shall remain available until expended and may not revert to the General Fund.

Requested by: Senators Conder, Plyler, Representative Tart
—EXPANDED FOCUSED INDUSTRIAL TRAINING PROGRAM

Sec. 14. Notwithstanding the provisions of G.S. 96-5(f), there is appropriated from the Worker Training Trust Fund to the Department of Community Colleges the sum of \$350,000 for the 1989-90 fiscal year and the sum of \$500,000 for the 1990-91 fiscal year to expand the Focused Industrial Training Program administered by the Department of Community Colleges.

The Department shall report on the use of these funds to the chairmen of the Senate and House of Representatives committees on appropriations and appropriations on education, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division, prior to January 1, 1991.

Requested by: Senators Ward, Tally, Representative Diamont
—UNC EXTENSION FEES/CHARGES REVIEW

Sec. 15. The Board of Governors of The University of North Carolina shall review its policies on fees and charges for extension courses offered at any of its constituent institutions to ensure that the fees provide reasonable access to exclusive degree offerings in geographic areas, that the fees are consistent with statutes providing for different charges for residents and nonresidents, and that the fees do not lead to unnecessary competition among colleges in the same geographic services area. The Board shall report to the General Assembly by May 1, 1990, on its findings and on any changes or proposed changes in its extension course fees policies.

Requested by: Representatives Holmes, G. Wilson
—VETERANS CEMETERIES FUNDS

Sec. 16. (a) Of the funds appropriated to the Department of Administration by Section 4 of this act \$400,000 for the 1989-90 fiscal year and \$400,000 for the 1990-91 fiscal year shall be divided equally each year between the 3rd and 11th Congressional Districts for veterans cemeteries to be established in accordance with Article 8A of Chapter 65 of the General Statutes. The funds for each fiscal year shall be used for fees, advance planning, site improvements, and construction costs.

(b) Funds allocated by subsection (a) of this section shall provide for the employment of one project manager and administrative expenses. The project manager

shall be a time-limited position of no more than two years at a pay grade 74, subject to the provisions of Chapter 126 of the General Statutes.

Requested by: Representative Diamont

—STATE ACCOUNTING SYSTEM PROJECT FUNDS

Sec. 17. Effective July 1, 1989, the sum of \$2,000,000 shall be transferred from contributed capital of the State Information Processing Services (SIPS) internal service fund (Code 74160) to the Office of the State Controller general fund (Code 14160), to be used by the Office of the State Controller for the ongoing State Accounting System Project.

Requested by: Representatives Easterling, Michaux

—NORTH CAROLINA FINANCIAL SYSTEMS MASTER PLAN REPORT

Sec. 18. The Office of State Controller, in expending the funds allocated in this act for development of the Statewide Accounting System shall prepare a written "North Carolina Financial Systems Master Plan" that was discussed and recommended in the Final Report of the State Information Processing Needs and Cost Study Commission. The written "North Carolina Financial Systems Master Plan" shall (i) address all statewide financial systems rather than just the general ledger, accounts payable, and purchasing, (ii) present a coordinated architecture and implementation approach across all systems, including The University of North Carolina and the Department of Transportation, (iii) develop a solid analysis of financial systems, in both the line and central agencies, and (iv) present a detailed description of the Management Science of America's financial management information systems package, its capabilities, and how it will assist the State in meeting its budgeting, accounting, payroll, and financial auditing needs, if that package is implemented by the Office of the State Controller. The Office of the State Controller shall prepare this written Master Plan and deliver it to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management no later than March 31, 1990.

Requested by: Senator Royall, Representatives Holmes, G. Wilson

—LIBRARY CONSTRUCTION FUNDS

Sec. 19. (a) Of the funds appropriated to the Department of Cultural Resources in Section 5 of this act, \$500,000 for the 1989-90 fiscal year shall be used for the construction or renovation of public libraries.

(b) A maximum of one construction or renovation grant per public library system may be awarded. Each construction or renovation grant shall be for no more than ten percent (10%) of the funds allocated by this section.

(c) All construction or renovation grants to public libraries shall be contingent on a local dollar-for-dollar match. Land may be used to satisfy this match requirement.

Requested by: Representatives Beall, Ramsey

—FOLKMOOT USA FUNDS

Sec. 20. Of the funds appropriated to the Office of State Budget and Management, the sum of \$75,000 shall be allocated to the North Carolina International Folk Festival, Inc., (Folkmoot USA), in Haywood County for the 1989-90 fiscal year to further its international cultural exchange of good will in North Carolina.

Requested by: Representative Diamont

—NORTH CAROLINA PERFORMING ARTS CENTER IN CHARLOTTE/USE REQUIREMENTS

Sec. 21. If any funds are appropriated for the North Carolina Performing Arts Center in Charlotte for the 1989-90 fiscal year or for the 1990-91 fiscal year, the Center shall provide the use of its facilities free to the North Carolina Symphony and to any other State-supported performing arts group when performing for the State's public school children.

Requested by: Representatives Holmes, G. Wilson

—HENDERSON FARMERS MARKET REALLOCATION

Sec. 22. Of the funds appropriated to the City of Henderson, Vance County, in Chapters 830, 1085, and 1094 of the 1987 Session Laws, to establish a new Farmers Market site or to improve the existing facility, those funds remaining unencumbered and unexpended on the date this act is ratified, shall be used by the City of Henderson to develop new parking facilities, or improve existing ones, for public parking in connection with the City's ongoing downtown revitalization efforts.

Requested by: Representatives Holmes, G. Wilson

—MASONBORO ISLAND AND BUXTON WOODS FUNDS/USE

Sec. 23. Funds appropriated for the purchase of land at Masonboro Island and for the purchase of land at Buxton Woods shall be used only for those purposes. Notwithstanding any other provision of law, these funds may not be used to purchase any other land or for any other purpose.

Requested by : Representative Diamont

—MUSEUM ADVANCE PLANNING FUNDS

Sec. 24. Notwithstanding Section 181 of Chapter 1014 of the 1985 Session Laws, Regular Session 1986, unexpended funds appropriated in that act to the Office of State Budget and Management for Reserve for Advance Planning shall be used for the advance planning costs of the North Carolina Museum of Natural Science.

Requested by: Representative Diamont

—TORNADO ASSISTANCE FUNDING

Sec. 25. If that portion of the Contingency and Emergency Fund that is designated for purposes outlined in G.S. 143-23(a1)(3), (4), and (5) are depleted and if funds cannot be made available from the budget of the Department of Crime Control and Public Safety, the Office of State Budget and Management may use up to \$150,000

of the funds appropriated in the 1989-90 fiscal year for the Repairs and Renovations Reserve to support the required federal match for federal grants received resulting from the May 1989 tornadoes.

Requested by: Senator Marvin, Representatives Holmes, G. Wilson

—STATE LAW ENFORCEMENT FIRING RANGE STUDY

Sec. 26. The Department of Crime Control and Public Safety and the Department of Justice shall study the feasibility of constructing a firing range to be used by the Highway Patrol, the State Bureau of Investigation, and other State law enforcement agencies, and shall submit a report and recommendations to the Senate and House Appropriations Committees on Justice and Public Safety and to the Fiscal Research Division by May 1, 1990. The report shall include a list of all firing ranges currently available for use by State law enforcement agencies, an analysis of the man-hours lost due to travel to and from these facilities, the cost of maintaining the present facilities, any other costs associated with the current arrangement for the use of firing ranges by the State law enforcement agencies, and recommendations of possible sites for the location or construction of a firing range for the use of all State law enforcement personnel.

Requested by: Representatives Huffman, Justus

—LAW ENFORCEMENT DRIVING TRACK FUNDS

Sec. 27. Of the unexpended funds appropriated for the 1987-88 fiscal year to the Department of Crime Control and Public Safety in Section 5 of Chapter 795 of the 1987 Session Laws for the law enforcement precision driving track, \$239,400 shall be used for the construction of a control tower.

Requested by: Senator Marvin, Representatives Holmes, G. Wilson

—PRISON CONSTRUCTION

Sec. 28. (a) Of the funds appropriated in Section 4 of this act to the Office of State Budget and Management for the purpose of construction of prison facilities, the Office of State Budget and Management may contract for and supervise all aspects of administration, technical assistance, design, construction, or demolition of prison facilities without being subject to the requirements of the following statutes and rules implementing those statutes: G.S. 143-135.26(1), 143-128, 143-129, 143-132, 143-134, 143-131, 143-135.26, 143-64.10 through 143-64.13, 113A-1 through 113A-10, 113A-50 through 113A-66, 133-1.1(b), and 133-1.1(g). All contracts for the design, construction, or demolition of these facilities shall include a penalty for failure to complete the work by a specified date.

(b) The Office of State Budget and Management shall report to the Cochairmen of the Prison Construction Subcommittee of the Joint Legislative Commission on Governmental Operations at least monthly and shall report quarterly to the Chairmen of the Appropriations Committee and the Base Budget Committee in the Senate, the Chairman of the Appropriations Committee in the House, the Chairmen of the Senate and House Justice and Public Safety Appropriations Committees, the Joint

Legislative Commission on Governmental Operations, and the Fiscal Research Division on the funds appropriated by this section. The report shall include information on which contractors have been selected, what contracts have been entered into, the projected and actual occupancy dates of facilities contracted for, the number of prison beds to be constructed on each project, the location of each project, and the projected and actual cost of each project.

(c) The Office of State Budget and Management and the Department of Correction shall provide quarterly reports to the Chairmen of the Appropriations Committee and the Base Budget Committee in the Senate, the Chairman of the Appropriations Committee in the House, the Chairmen of the Senate and House Justice and Public Safety Appropriations Committees, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on expenditures of funds appropriated by the 1989 General Assembly for capital projects of the Department of Correction. The reports shall include information on the location and the projected and actual cost of each project, both on contract and in-house, which contractors have been selected and what contracts have been entered into, and the projected and actual occupancy dates of the facilities. These reports shall continue to be made until the completion of these projects.

Requested by: Senator Marvin, Representatives Holmes, G. Wilson

—LAND ACQUISITION COST FOR NEW DIAGNOSTIC UNIT

Sec. 29. Of the funds appropriated to the Office of State Budget and Management for the construction of a new diagnostic unit, no more than the sum of \$1,000,000 shall be allocated for the cost of land acquisition in fiscal year 1990-91.

Requested by: Senator Marvin, Representatives Holmes, G. Wilson

—CONSTRUCTION OF CHAPEL AT JOHNSTON COUNTY PRISON UNIT

Sec. 30. Funds previously appropriated in Section 4 of Chapter 1014 of the 1985 Session Laws, Regular Session 1986, and in Sections 3 and 125 of Chapter 1086 of the 1987 Session Laws, for the construction of a chapel at the Johnston County prison unit, may be used to provide a chapel through either the construction of a new building, the construction of an addition to a proposed building, or the construction of an addition to an existing building at the Johnston County prison unit. The Director of the Budget shall determine which of these alternatives shall be used for constructing the chapel. These funds shall not revert but shall remain available until the project is complete.

Requested by: Representative Holmes

—DEPARTMENT OF CORRECTION LAND PURCHASE/WASTEWATER TREATMENT FUNDS

Sec. 31. The Department of Correction may spend up to \$190,000 of funds allocated from the 1986 Repairs and Renovations Reserve to purchase land at the Washington County Correctional Center, the Gates County Correctional Center, and the Moore County Correctional Center to meet environmental requirements for upgrading wastewater treatment systems.

Requested by: Representative Barnes

—WOMEN'S CORRECTIONAL CENTER AIR CONDITIONING

Sec. 32. (a) Of the funds appropriated to the Office of State Budget and Management for the 1989-90 fiscal year for the Repairs and Renovations Reserve, up to \$61,500 may be used to repair or replace the heating and air conditioning system at the chapel of the Correctional Center for Women at Raleigh.

(b) The Department of Correction may accept contributions to offset the cost of repairing or replacing the heating and air conditioning system at the Correctional Center for Women at Raleigh, and may expend such funds for that purpose.

Requested by: Representative Diamont

—CHERRY HOSPITAL/O'BERRY/GOLDSBORO SEWER FUNDS

Sec. 33. Funds appropriated in Section 4 of Chapter 795 of the 1987 Session Laws to the Department of Human Resources for Cherry Hospital-Renovation of Water Plant and Wastewater Treatment Plant, may be used for the costs associated with the connection of Cherry Hospital and O'Berry Center to the City of Goldsboro's sewer system, improvements to the Cherry Hospital and O'Berry Center water system, and expansion of the city sewer system required as a result of the connection.

Requested by: Representatives Hackney, Redwine

—SOLID WASTE MANAGEMENT TRUST FUND/WASTE STREAM ANALYSIS

Sec. 34. Of the funds allocated from the Special Reserve for Oil Overcharge Funds to the North Carolina Housing Trust Fund in Section 2 of Chapter 841 of the 1987 Session Laws, the sum of \$500,000 shall be reallocated to the Department of Commerce for the 1989-90 fiscal year to be used for a waste stream analysis by the Department of Human Resources. These funds shall be matched on a one-to-one basis by private entities by April 30, 1990. These funds shall be used to conduct "waste stream" research in North Carolina counties. This research shall be contracted out by the Secretary of the Department of Human Resources on a competitive bid basis to an organization or firm that responds successfully to a "request for proposals" (RFP) issued at the direction and approval of the Secretary of the Department of Human Resources. The RFP shall be issued by the Secretary and awarded no later than December 31, 1989. A final report shall be issued to the Secretary of the Department of Human Resources and the General Assembly at the convening of the Regular Session 1991. The Secretary shall appoint a special advisory panel, composed of representatives from organizations participating in the matching grants program, to comment on contractors' response to the RFP. The Secretary, however, shall have final responsibility for awarding the contract.

The RFP shall contain provisions for quarterly progress reports to be issued by the contractor to the Secretary, who shall also make provisions for distributing reports to private entities participating in the matching grants provision. Reports to the appropriate committees of the General Assembly shall be determined by the President Pro Tempore of the Senate and the Speaker of the House of Representatives.

The waste stream analysis research study, at a minimum, shall include scientific and statistically significant sampling of solid waste material in each of North Carolina's 120 landfills; or, it shall be determined to contain sufficient statistically reliable data to project, at a sixty percent (60%) confidence level, the content and volume of any existing North Carolina landfill or other properly permitted solid waste disposal facility. Based on these specific findings, additional written outcomes of this waste stream analysis shall be the following:

- (1) Recommended solid waste disposal policies, appropriate for local governments, that are considered practicable, as well as "state-of-the-art"; that evaluate the financial impact and energy avoidance of recycling and alternative methods of solid waste disposal, including incineration and waste-to-energy options; that are consistent with contractor's findings; that contain specific procedures for monitoring market demand for recyclable goods; that identify potential domestic and foreign markets; that propose collection, storage, and transportation strategies, for both single-county and multi-county collection, recycling, treatment, and disposal; and that identify all relevant operating costs, capital costs, and revenues derived through the sale of recycled waste stream components and energy, related to their implementation;
- (2) A recommended solid waste management plan, based upon the policies recommended in subdivision (1) of this section, for the State of North Carolina, including policies the State may consider to provide incentives for recycling facilities to locate in North Carolina; that suggest future strategies the State might consider to insure that its investments produce measurable reductions in solid waste, offer economic alternatives to traditional landfills, and provide increased technical assistance to cities and counties;
- (3) The plan, as recommended, shall contain a year-by-year determination of all relevant operating and capital costs, and propose recommended appropriations and/or financing mechanisms needed for the number of years required for its full implementation;
- (4) Finally, the plan shall contain a specific evaluation component which shall describe criteria for measuring progress and results against the plan, and which shall be understood clearly by the general public.

The North Carolina Housing Finance Agency shall transfer the funds reallocated by this subsection to the Department of Human Resources no later than September 1, 1989.

The Department of Commerce shall submit comprehensive annual reports to the General Assembly by May 5, 1990, and January 31, 1991, which detail the use of all funds received in the Stripper Well Litigation that were used or expended by State agencies. Any State department or agency that has received oil overcharge funds shall provide all information requested by the Department of Commerce for the purpose of preparing this report.

Requested by: Representatives B. Ethridge, Redwine
—PETROLEUM OVERCHARGE ATTORNEY FEES

Sec. 35. (a) Unless prohibited by federal law, rule, or regulation or preexisting settlement agreement, no later than October 1, 1989, the North Carolina Attorney General shall direct the withdrawal of all funds received in the cases of United States v. Exxon and Stripper Well that are held in accounts or reserves located out-of-State for payment of attorney fees and reasonable expenses incurred in connection with oil overcharge litigation authorized by the Attorney General. The Attorney General shall deposit these funds, and all funds to be received from petroleum overcharge funds in the future for attorney fees and reasonable expenses, into the Special Reserve for Oil Overcharge Funds.

(b) All attorney fees and reasonable expenses incurred in connection with oil overcharge litigation shall be paid by the State Treasurer from petroleum overcharge funds that have been received by this State and deposited into the Special Reserve for Oil Overcharge Funds.

(c) Notwithstanding any other provision of law, the Attorney General may authorize the payment of attorney fees and reasonable expenses from the Special Reserve for Oil Overcharge Funds without further action of the General Assembly and funds are hereby appropriated from the Special Reserve for Oil Overcharge Funds for the 1989-90 fiscal year and for the 1990-91 fiscal year for that purpose.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—FORESTRY RESOURCES REGIONAL HEADQUARTERS

Sec. 36. The Department of Natural Resources and Community Development, Division of Forest Resources, may use receipts to construct a regional headquarters facility on the Division's present county headquarters site in Buncombe County. Notwithstanding any other provision of law to the contrary, the Department may use force account construction and labor not to exceed the value of one hundred fifty thousand dollars (\$150,000).

Requested by: Senators Basnight, Martin of Pitt, Representatives B. Ethridge, Redwine, Rogers

—INCUBATOR FACILITIES FUNDING

Sec. 37. (a) Notwithstanding any provision of law to the contrary, funds appropriated in Section 3 of Chapter 500 of the 1989 Session Laws, the Current Operations Appropriations Act, to the Department of Commerce for the Technological Development Authority for the 1989-90 fiscal year and for the 1990-91 fiscal year for incubator facilities shall be used to start new incubator facilities. Any funds that have not been allocated for first time grants for new facilities as of May 15 of each fiscal year may be used for grants of up to \$200,000 for that fiscal year to grant recipients of prior fiscal years to expand the capacity of existing incubator facilities.

(b) Beginning October 1, 1989, the Technological Development Authority shall provide quarterly reports to the Joint Legislative Commission on Governmental Operations and to the Director of the Fiscal Research Division not less than 48 hours

prior to the Commission's full meeting. These reports shall include information regarding the use of funds allocated as grants during the previous quarter.

Requested by: Senator Tally, Representatives B. Ethridge, Redwine
—LAKE RIM FISH HATCHERY REPAIRS

Sec. 38. The Wildlife Resources Commission may use no more than \$250,000 for the 1989-90 fiscal year to repair the dam at the Lake Rim Fish Hatchery in Cumberland County.

Requested by: Senators Royall, Martin of Pitt, Representatives Redwine, B. Ethridge
—STATE PARKS CAPITAL FUNDS

Sec. 39. (a) Of the funds appropriated to the Department of Natural Resources and Community Development in Section 4 of this act for a reserve for the State Parks System:

- (1) The sum of \$250,000 for the 1989-90 fiscal year shall be used to support one time-limited position in the Department of Natural Resources and Community Development to manage those capital improvement projects that are authorized and funded in Section 4 of this act and to contract with a professional design firm to manage the projects;
- (2) The sum of \$5,750,000 for the 1989-90 fiscal year shall be used for repairs, renovations, and capital improvements throughout the State park system; and
- (3) The sum of \$2,000,000 for the 1989-90 fiscal year shall be used to acquire critical parcels of inholdings or corridors and easements identified as critical for inclusion in the State park system.

(b) No later than October 1, 1989, the Department of Natural Resources and Community Development shall provide a list of the repairs, renovations, and capital improvement projects for the 1989-90 fiscal year to the Joint Legislative Commission on Governmental Operations, the Office of State Budget and Management, and the Director of the Fiscal Research Division.

(c) The report required by subsection (b) of this section shall include:

- (1) The project names;
- (2) A description of the projects funded in the 1989-90 fiscal year;
- (3) Funding allocation for these projects;
- (4) The dates that the projects began and were completed;
- (5) The amount of time required to complete each project;
- (6) The actual cost of each project; and
- (7) A projection of the appropriations needed for repairs, renovations, and capital improvements throughout the State park system.

(d) No later than October 1 of each year of the biennium, the Department of Natural Resources and Community Development shall provide a list of acquisitions made pursuant to subdivision (3) of subsection (a) of this section for that year of the biennium to the Joint Legislative Commission on Governmental Operations, the Office

of State Budget and Management, the Director of the Fiscal Research Division, and the 1991 General Assembly. This report shall include:

- (1) Descriptions of the land acquired;
 - (2) Funding allocation for each acquisition;
 - (3) The date that each acquisition was finalized;
 - (4) The actual cost of each acquisition; and
 - (5) A projection of the appropriations needed to acquire critical inholdings throughout the State park system in the future.
- (e) The Director of the Budget may authorize the expenditure of over realized State parks' receipts, in accordance with G.S. 143-23(a1).

Requested by: Representative Diamont

—MAIN STREET FINANCIAL INCENTIVE FUND

Sec. 40. (a) The funds appropriated in Section 9 of this act to the Division of Community Assistance in the Department of Natural Resources and Community Development for the 1989-90 fiscal year for the Main Street Cities Program shall be allocated to the Main Street Financial Incentive Fund, which is created in subsection (b) of this section, and shall be used pursuant to the remaining subsections of this section.

(b) A revolving fund to be known as the Main Street Financial Incentive Fund is established in the Department of Natural Resources and Community Development. This Fund shall be administered by the Department of Natural Resources and Community Development. The Department of Natural Resources and Community Development shall be responsible for receipt and disbursement of all moneys as provided in this section. Interest earnings shall be credited to the Main Street Financial Incentive Fund.

(c) Moneys in the Main Street Financial Incentive Fund shall be available to the North Carolina cities affiliated with the North Carolina Main Street Center Program. Moneys in the Main Street Financial Incentive Fund shall be used for the following eligible activities:

- (1) The acquisition or rehabilitation of properties in connection with private investment in a designated downtown area;
- (2) The establishment of revolving loan programs for private investment in a designated downtown area;
- (3) The subsidization of interest rates for these revolving loan programs;
- (4) The establishment of facade incentive grants in connection with private investment in a designated downtown area;
- (5) Market studies, design studies, design assistance, or strategic planning efforts, provided the activity can be shown to lead directly to private investment in a designated downtown area;
- (6) Any approved project that provides construction or rehabilitation in a designated downtown area and can be shown to lead directly to private investment in the designated downtown area; and

(7) Public improvements and public infrastructure within a designated downtown area, provided these improvements are necessary to create or stimulate private investment in the designated downtown area.

(d) Any North Carolina city affiliated with the North Carolina Main Street Center Program may apply for moneys from the Main Street Financial Incentive Fund by submitting an application to the Main Street Center in the Division of Community Assistance, Department of Natural Resources and Community Development. Any city affiliated with the North Carolina Main Street Center Program may apply for a grant equal to ten percent (10%) of the projected cost of the proposed project. A city may apply for additional moneys as one or more loans from the Fund. Specifically, a city may apply for a loan for:

- (1) Up to fifteen percent (15%) of the projected cost of the proposed project in excess of the amount to be received as a grant, subject to repayment within fifteen years at five percent (5%) interest;
- (2) Up to twenty percent (20%) of the projected cost of the proposed project in excess of the amount to be received as a grant, subject to repayment within ten years at eight percent (8%) interest; and
- (3) Up to thirty-five percent (35%) of the projected cost of the proposed project in excess of the amount to be received as a grant, subject to repayment within seven years at ten percent (10%) interest.

The application shall list:

- (1) The proposed activities for which the moneys are to be used and the projected cost of the project;
- (2) The amount of grant moneys and any loans requested for these activities;
- (3) Projections of the dollar amount of private investment that is expected to occur in the designated downtown area as a direct result of the city's proposed activities;
- (4) Whether local public dollars are required to match any grant plus any loan moneys according to the provisions of subdivision (h)(2) of this section, and if so, the amount of local public dollars required;
- (5) An explanation of the nature of the private investment in the designated downtown area that will result from the city's proposed activities;
- (6) Projections of the time needed to complete the city's proposed activities;
- (7) Projections of the time needed to realize the private investment that is expected to result from the city's proposed activities; and
- (8) Identification of the proposed source of funds to be used for repayment of any loan obligations.

The applicant shall furnish additional or supplemental information upon written request.

(e) A committee, comprised of representatives of: the Division of Community Assistance of the Department of Natural Resources and Community

Development, the North Carolina Main Street Program, the Local Government Commission, and the League of Municipalities shall:

- (1) Review a city's application,
- (2) Determine whether the activities listed in the application are activities that are eligible for a loan, and
- (3) Determine which applicants are selected to receive moneys from the Main Street Financial Incentive Fund.

A city whose application is denied may file a new or amended application.

(f) A Main Street City that is selected may not receive a grant plus any loans pursuant to this act totaling less than one hundred thousand dollars (\$100,000) or more than three hundred thousand dollars (\$300,000).

(g) The Department of Natural Resources and Community Development may not disburse moneys for any loans until the city has confirmed a method of repayment of the loan. The terms for repayment established for a given loan shall apply throughout the period of that loan.

The Department of Natural Resources and Community Development shall establish an account in the amount of the grant plus any loans for each city that is selected. These moneys shall be disbursed as expended through warrants drawn on the Department of Natural Resources and Community Development.

- (h)(1) A city that has been selected to receive a grant plus any loans shall use the full amount of the grant plus any loans for the activities that were approved pursuant to subsection (e) of this section. Moneys are deemed used if the city is legally committed to spend the moneys on the approved activities.
- (2) If a city has received approval to use the grant plus any loans for public improvements or public infrastructure, that city shall be required to raise, before moneys for these public improvements may be drawn from the city's account, local public funds to match the amount of the grant plus any loans from the Main Street Financial Incentive Fund on the basis of at least one local public dollar (\$1.00) for every one dollar (\$1.00) from the Main Street Financial Incentive Fund. This match requirement applies only to those moneys received for public improvements or public infrastructure and is in addition to the requirement set forth in subdivision (1) of this subsection.
- (3) A city that fails to satisfy the condition set forth in subdivision (1) of this subsection shall lose any moneys that have not been used within three years of being selected. These unused moneys shall be credited to the Main Street Financial Incentive Fund. A city that fails to satisfy the conditions set forth in subdivisions (1) and (2) of this subsection may file a new application.
- (4) Any moneys repaid or credited to the Main Street Financial Incentive Fund pursuant to subdivision (3) of this subsection shall be available to other applicants as long as the Main Street Financial Incentive Fund is in effect.

(i) Each city is authorized to agree to apply any available revenues of that city to the repayment of a loan obligation to the extent the generation of these revenues is within the power of that city to enter into covenants to take action in order to generate these revenues; provided:

(1) The agreement to use this source of funds to make repayment or the covenant to generate these revenues does not constitute a pledge of the city's taxing power; and

(2) The repayment agreement specifically identifies the source of funds to be pledged.

(j) After a project financed in whole or in part pursuant to this act has been completed, the city shall report the actual cost of the project to the Department of Natural Resources and Community Development. If the actual cost of the project exceeds the projected cost upon which the grant plus any loans were based, the city may submit an application to the Department of Natural Resources and Community Development for a grant or loans for the difference. If the actual cost of the project is less than the projected cost, the city shall arrange to pay the difference to the Main Street Financial Incentive Fund according to terms set by the Department.

(k) Inspection of a project for which a grant plus any loans have been awarded may be performed by personnel of the Department of Natural Resources and Community Development. No person may be approved to perform inspections who is an officer or employee of the unit of local government to which the grant plus any loans were made or who is an owner, officer, employee, or agent of a contractor or subcontractor engaged in the construction of any project for which the grant plus any loans were made.

(l) The Department of Natural Resources and Community Development may adopt, modify, and repeal rules establishing the procedures to be followed in the administration of this act and regulations interpreting and applying the provisions of this act, as provided in the Administrative Procedure Act.

(m) The Department of Natural Resources and Community Development and cities that have been selected to receive a grant plus any loans from the Main Street Financial Incentive Fund shall prepare and file on or before July 31 of each year with the Joint Legislative Commission on Governmental Operations a consolidated report for the preceding fiscal year concerning the allocation of grants plus any loans authorized by this act.

The portion of the annual report prepared by the Department of Natural Resources and Community Development shall set forth for the preceding fiscal year itemized and total allocations from the Main Street Financial Incentive Fund for grants and loans. The Department of Natural Resources and Community Development shall also prepare a summary report of all allocations made from the fund for each fiscal year; the total funds received and allocations made; the total amount of loan moneys repaid to the Fund, and the total unallocated funds in the Fund.

The portion of the report prepared by the city shall include:

- (1) The total amount of private funds that were committed and the amount that were invested in the designated downtown area during the preceding fiscal year;
- (2) The total amount of local public matching funds that were raised, if required by subdivision (h)(2) of this section;
- (3) The total amount of grant plus any loans received from the Main Street Financial Incentive Fund during the preceding fiscal year;
- (4) The total amount of loan moneys repaid to the Main Street Financial Incentive Fund during the preceding fiscal year;
- (5) A description of how the grant and loan moneys and funds from private investors were used during the preceding fiscal year;
- (6) Details regarding the types of private investment created or stimulated, the dates of this activity, the amount of public money involved, and any other pertinent information, including any jobs created, businesses started, and number of jobs retained due to the approved activities.

Requested by: Senator Royall

—HIGHWAY FUNDS/ADJUSTMENT TO REFLECT ACTUAL REVENUE

Sec. 41. Section 52 of Chapter 500 of the 1989 Session Laws, the Current Operations Appropriations Act of 1989, reads as rewritten:

"Sec. 52. Any unreserved credit balance in the Highway Fund on June 30 of each of the fiscal years shall support appropriations in the succeeding fiscal year. If all of the balance is not needed for these appropriations, the Director of the Budget may use the remaining excess to establish a reserve for access and public roads, a reserve for purchase of rights-of-way, a reserve for unforeseen happening of a state of affairs requiring prompt action as provided in G.S. 136-44.1, and other required reserves. Actual revenue in excess of estimated revenue shall be placed in the reserve for highway construction and maintenance. If all the remaining excess is not used to establish these reserves, the remainder shall be allocated to the State-funded maintenance or construction appropriations in the manner approved by the Board of Transportation. The Board of Transportation shall report monthly to the Joint Legislative Commission on Governmental Operations about the use of the reserve for highway construction and maintenance. The Board of Transportation shall send copies of the monthly reports to the Chairman of the Senate Appropriations Committee on Natural and Economic Resources, the Chairman of the Highway Fund Subcommittee of the Appropriations Committee of the House of Representatives, the Chairman of the Senate Transportation Committee, and the Chairman of the Highways Subcommittee of the Infrastructure Committee of the House of Representatives."

Requested by: Senator Marvin

—USE OF DRUG ENFORCEMENT RECEIPTS

Sec. 42. The Department of Crime Control and Public Safety shall use the \$258,200 of drug law enforcement receipts in its budget for the 1989-90 fiscal year for operating expenses related to drug law enforcement activities of the Highway Patrol and

for other one-time equipment purchases. The Department of Crime Control and Public Safety shall report to the Joint Legislative Commission on Governmental Operations on its intended use of these funds in compliance with Section 63 of Chapter 500 of the 1989 Session Laws, the Current Operations Appropriations Act of 1989.

Requested by: Senator Marvin

—UNDERGROUND STORAGE TANK FUNDS

Sec. 43. Of the funds appropriated in Section 6 of this act to the Department of Crime Control and Public Safety, the sum of \$212,350 for the 1989-90 fiscal year shall be used to begin the upgrading and replacement of underground gasoline storage tanks to meet the standards required by the Environmental Protection Act. The Department of Crime Control and Public Safety, Division of Highway Patrol, shall report to the Senate Appropriations Committee on Justice and Public Safety and to the Fiscal Research Division by April 15, 1990, on additional costs needed to meet the standards required by the Environmental Protection Act and on receipts that are available to the Highway Patrol Division to offset these costs.

Requested by: Senator Martin of Pitt

—ZOOLOGICAL PARK FUNDS

Sec. 44. Of the funds appropriated to the Department of Natural Resources and Community Development in Section 4 of this act, \$4,250,000 for the 1989-90 fiscal year shall be used for the North Carolina Zoological Park, provided that the North Carolina Zoological Park Society raises \$1,062,500 for the 1989-90 fiscal year to match this appropriation on a basis of four State dollars for every one non-State dollar. The Society shall periodically inform the Department of the amount of matching funds it has raised. The Department may expend the funds allocated by this section only to the extent that the required matching funds have been raised. The funds allocated by this section shall not revert at the end of the fiscal year, but shall remain available to the Department for the purpose stated in this section.

Requested by: Senator Barker

—A.A. CUNNINGHAM AIR MUSEUM FUNDS

Sec. 45. Of the funds appropriated to the Office of State Budget and Management for fiscal year 1989-90, \$500,000 shall be made available to the A. A. Cunningham Air Museum Foundation, Inc., for capital improvements to the marine and aviation museum. These public funds shall be matched on a three-to-one, private-to-public basis.

Requested by: Senator Royall

—EXECUTIVE MANSION FUNDS

Sec. 46. (a) Of the funds appropriated in Section 8 of this act to the Office of State Budget and Management for fiscal year 1989-90, \$1,000,000 shall be made available to the Executive Mansion Fund, Inc., provided an equal amount of non-State funds is raised by that corporation for the Executive Mansion.

(b) State funds made available by subsection (a) of this section may be used only as follows:

- (1) For the Fine Arts Reserve Fund, to be used for acquisitions, restoration, and operations but not for staff support; and
- (2) For immediate needs for restoration and acquisitions for the first floor public areas of the Mansion.

(c) State funds may only be released to the Executive Mansion Fund, Inc., upon receipt of actual cash, stock, securities and other items valued in a manner consistent with federal and State law and regulations regarding deductions for charitable donations; and legally binding pledges of support from corporations, foundations, and private individuals.

(d) No State funds may be used in support of fund-raising costs, the centennial book, or to fund staff support of the Executive Mansion Fine Arts Committee or the Executive Mansion Fund, Inc.

Requested by: Representative B. Ethridge

—COMMUNITY ACTION FUNDS

Sec. 47. The funds appropriated for the 1989-90 fiscal year in Section 9 of this act to the Department of Natural Resources and Community Development, Division of Community Assistance, for Community Action Programs shall be allocated as follows:

- (1) The sum of \$125,000 shall be used for Head Start programs and services for children who are eligible for these programs and services, but who are not receiving them due to lack of funding; and
- (2) The sum of \$125,000 shall be used to expand existing services to the elderly, needy, and handicapped.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine

—CIVIL WORKS PROJECTS

Sec. 48. (a) Of the funds appropriated to the Department of Natural Resources and Community Development in Section 5 of this act, the sum of \$2,200,000 in the 1989-90 fiscal year shall be used for civil works projects. The Department of Natural Resources and Community Development shall fund the following projects, whose estimated costs are as indicated:

- | | |
|--|-----------|
| (1) Wilmington Harbor Maintenance Dredging | \$225,000 |
| (2) Northeast Cape Fear River Navigation Improvement | 201,000 |
| (3) Wanchese Channel Maintenance Dredging | 231,000 |
| (4) Wilmington Harbor Passing Lane Study | 173,000 |
| (5) Wrightsville Beach Protection | 353,000 |
| (6) Aquatic Weed Control | 40,000 |

(7)	State Local Water Resources Development Project Grants	499,000
(8)	Cape Lookout Ferry Channel Maintenance	175,000
(9)	Corps of Engineers Feasibility Studies	50,000
(10)	Wilmington Harbor Turns and Bends Study	150,000
(11)	Wilmington Harbor Turning Basin Study	90,000
(12)	Neuse River (Oriental) Bank Protection	13,000.

(b) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If the Army Corps of Engineers projects are delayed and if the Army Corps of Engineers is unable to use State cost share funds available for the 1989-90 fiscal year, the Department may fund, to the extent that funds are available, those projects of the Army Corps of Engineers that have advanced in schedule. Funds not expended or encumbered for these purposes shall revert to the General Fund at the end of the 1990-91 fiscal year.

(c) Beginning October 1, 1989, the Department of Natural Resources and Community Development shall make quarterly reports on the use of these funds to the Joint Legislative Commission on Governmental Operations, the Director of the Fiscal Research Division, and the Office of State Budget and Management. Each report shall include:

- (1) All projects listed in subsection (a) of this section;
- (2) The estimated cost of each project;
- (3) The date work on each project began or is expected to begin;
- (4) The date work on each project was completed or is expected to be completed; and
- (5) The actual cost of each project.

The quarterly reports shall also show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

Requested by: Representative B. Ethridge

—N.C. RURAL WATER ASSOCIATION REPORT

Sec. 49. (a) Beginning October 1, 1989, the North Carolina Rural Water Association, Inc., shall provide quarterly reports to the Joint Legislative Commission on Governmental Operations on the activities of the North Carolina Rural Water Association, Inc., and the assistance it has provided to communities. These reports shall include:

- (1) Information of the activities and accomplishments during the current fiscal year;

- (2) Itemized expenditures during the current fiscal year;
 - (3) Sources of funding and any fees charged for the current fiscal year and for the following fiscal year;
 - (4) Planned activities for the following fiscal year and, if available, for future fiscal years; and
 - (5) Projected expenditures for the following fiscal year and, if available, for future fiscal years.
- (b) The North Carolina Rural Water Association, Inc., shall submit a copy of its annual report to the State Auditor.

Requested by: Senators Martin of Pitt, Hunt of Durham, Representatives Easterling, Michaux

—CENTER FOR COMMUNITY SELF-HELP FUNDS

Sec. 50. (a) Of the funds appropriated in Section 9 of this act to the Office of State Budget and Management to the Center for Community Self-Help, \$2,000,000 for the 1989-90 fiscal year shall be used for the purpose of furthering a revolving loan program of lending, to be leveraged at a 24 to 1 ratio with other funds, for home ownership for low and moderate income families in North Carolina. Loans made under the program shall be conditioned on the unavailability of mortgage loans for the same purposes from private lenders upon reasonably equivalent terms and conditions. Payments of principal shall be available for further loans.

(b) The Center for Community Self-Help shall submit, within 180 days after the close of its fiscal year, audited financial statements to the State Controller. All records pertaining to the use of State funds shall be made available to the State Auditor upon request. The Center for Community Self-Help shall make quarterly reports on the use of State funds to the State Controller, in form and format prescribed by the State Controller or his designee. The Center for Community Self-Help shall make a written report by May 1 of each year for the next three years to the General Assembly on the use of the funds allocated by this section.

(c) The Center for Community Self-Help shall report to the Joint Legislative Commission on Governmental Operations, the House and Senate Appropriations Committees on Natural and Economic Resources, and the Department of Commerce on a quarterly basis for the life of the revolving fund as to the status of the home ownership lending program. The report shall include: the amount of total monies available; the amount of total monies loaned; the total number of homes financed; and the income of the borrowers.

(d) The Office of State Auditor may conduct an annual end-of-year audit of the revolving fund for home ownership lending of the Center for Community Self-Help for each year of the life of the revolving fund.

(e) If the Center for Community Self-Help dissolves, the corporation shall transfer the remaining assets of the revolving fund to the State and shall refrain from disposing of the revolving fund assets without the approval of the State Treasurer.

(f) The Office of State Budget and Management shall disburse the funds described in subsection (a) of this section in \$1,000,000 increments upon presentation

by the Center for Community Self-Help of letters documenting the willingness of institutions to make matching loan capital available for this program on a 24 to 1 basis for each \$1,000,000 disbursement increment. The Office of State Budget and Management shall disburse the funds within 10 working days of the receipt of such letters.

Requested by: Senator Martin of Pitt, Representatives B. Ethridge, Redwine
—UTILITY COMMISSION STAFF POSITIONS

Sec. 51. There is appropriated from the fees collected pursuant to G.S. 62-300, to the North Carolina Utilities Commission the sum of \$157,486 for the 1989-90 fiscal year and the sum of \$157,486 for the 1990-91 fiscal year to establish and support two Grade 80 Public Utilities Engineer III positions to assist in the Commission's statutory responsibilities in the regulation of the regulated electric and natural gas industries in North Carolina.

Requested by: Representatives B. Ethridge, Redwine
—PIEDMONT TRIAD AIRPORT AUTHORITY FUND

Sec. 52. The funds appropriated to the Office of State Budget and Management in Section 9 of this act to support utility costs for the location of the Piedmont Triad Airport Authority's maintenance and training facility that are unexpended and unencumbered shall revert to the General Fund on June 30, 1991, in the event this project is not completed.

Requested by: Representative Redwine
—N.C. HOUSING PARTNERSHIP

Sec. 53. G.S. 122E-4 is amended by adding a new subsection to read:

"(i) Members of the Partnership may not receive any direct benefit from, or participate in, the programs of the Fund. Members of the Partnership may be employed by, or serve as a board member of, a nonprofit entity participating in a program of the Fund if the member discloses the employment or the membership in the minutes of the Partnership and does not vote on any matter pertaining to the entity's participation. This policy applies to:

- (1) Individual members of the Partnership;
- (2) Businesses, corporations, or partnerships owned in whole or in part by members of the Partnership; and
- (3) The immediate family members of the members of the Partnership."

Requested by: Representatives B. Ethridge, Redwine
—INDUSTRIAL DEVELOPMENT FUND

Sec. 54. Part 2 of Article 10 of Chapter 143B of the General Statutes is amended by adding at the end a new section to read:

"§ 143B-437A. Industrial Development Fund.

(a) There is created in the Department of Commerce the Industrial Development Fund to provide funds to assist the local government units of the most economically

depressed counties in the State in creating jobs. The Department of Commerce shall adopt rules providing for the administration of the program. Those rules shall include the following:

- (1) The funds shall be used for (i) installation of or purchases of manufacturing equipment or process productions equipment, (ii) structural repairs, improvements, or renovations of existing buildings to be used for manufacturing and industrial expansion, (iii) construction of or improvements to new or existing water, sewer, gas, or electrical utility distribution lines or equipment for existing industrial buildings to be used for manufacturing and industrial operations, or (iv) in the case of counties designated as severely distressed counties under G.S. 105-130.40(c) or G.S. 105-151.17(c) or units of local government within those counties, construction of or improvement to new or existing water, sewer, gas, or electrical utility distribution lines or equipment to serve new or proposed industrial buildings to be used for manufacturing and industrial operations. To be eligible for funding, the water, sewer, gas, or electrical utility lines or facilities shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the specific manufacturing activity. However, the Secretary of Commerce may use up to one hundred thousand dollars (\$100,000) to provide emergency economic development assistance in any county which is documented to be experiencing a major economic dislocation.
- (2) The funds shall be used by the city and county governments for projects that will directly result in the creation of new jobs. The funds shall be expended at a rate of one thousand two hundred dollars (\$1,200) per new job created up to a maximum of two hundred fifty thousand dollars (\$250,000) per project.

(b) Each year, on or before December 31, the Secretary of Commerce shall designate the most economically distressed counties in the State; this designation shall remain effective for the following calendar year. The Secretary of Commerce shall determine which counties are the most economically distressed counties in the State based on (i) rate of unemployment, (ii) per capita income, and (iii) relative population and work force growth or lack of growth, as determined by the Secretary of Commerce.

(c) The Department of Commerce shall report annually to the General Assembly concerning the applications made to the fund and the payments made from the fund and the impact of the payments on job creation in the State. The Department of Commerce shall also report quarterly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the use of the moneys in the fund, including information regarding to whom payments were made, in what amounts, and for what purposes.

(d) As used in this section, 'major economic dislocation' means the actual or imminent loss of:

- (1) 500 or more manufacturing jobs in the county; or

- (2) A number of manufacturing jobs which is equal to or more than ten percent (10%) of the existing manufacturing workforce in the county."

Requested by: Senator Royall, Representatives Holmes, G. Wilson

—RESERVE FOR ADVANCE PLANNING

Sec. 55. The Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division on how it intends to spend funds from the Reserve for Advance Planning at least 45 days before it spends the funds.

The Office of State Budget and Management shall also report the results of any project on which it uses funds from the Reserve for Advance Planning to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division.

Requested by: Senator Royall, Representatives Holmes, G. Wilson

—ENCUMBERED APPROPRIATIONS AND PROJECT RESERVE FUND

Sec. 56. When each capital improvement project appropriated by the 1989 General Assembly, other than those projects under the Board of Governors of The University of North Carolina, is placed under construction contract, direct appropriations shall be encumbered to include all costs for construction, design, investigation, administration, movable equipment, and a reasonable contingency. Unencumbered direct appropriations remaining in the project budget shall be placed in a project reserve fund credited to the Office of State Budget and Management. Funds in the project reserve may be used for emergency repair and renovation projects at State facilities with the approval of the Director of the Budget. The project reserve fund may be used, at the discretion of the Director of the Budget, to allow for award of contracts where bids exceed appropriated funds, if those projects supplemented were designed within the scope intended by the applicable appropriation or any authorized change in it, and if, in the opinion of the Director of the Budget, all means to award contracts within the appropriation were reasonably attempted. At the discretion of the Director of the Budget, any balances in the project reserve fund shall revert to the original source.

Requested by: Senator Royall, Representatives Holmes, G. Wilson

—PROJECT COST INCREASE

Sec. 57. Upon the request of the administration of a State department or institution, the Director of the Budget may, when in his opinion it is in the best interest of the State to do so, increase the cost of a capital improvement project. Provided, however, that if the Director of the Budget increases the cost of a project, he shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting. The increase may be funded from gifts, federal or private grants, special fund receipts, excess patient receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill, or direct capital improvement appropriations to that department or institution.

Requested by: Senator Royall, Representatives Holmes, G. Wilson
—NEW PROJECT AUTHORIZATION

Sec. 58. Upon the request of the administration of any State department or institution, the Governor may authorize the construction of a capital improvement project not specifically authorized by the General Assembly if such project is to be funded by gifts, federal or private grants, special fund receipts, excess patient receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill, or self-liquidating indebtedness. Provided, however, that if the Director of the Budget authorizes the construction of such a capital improvement project, he shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Requested by: Senator Royall, Representatives Holmes, G. Wilson
—ADVANCE PLANNING OF CAPITAL IMPROVEMENT PROJECTS

Sec. 59. Funds which become available by gifts, excess patient receipts above those budgeted at University of North Carolina Hospitals at Chapel Hill, federal or private grants, receipts becoming a part of special funds by act of the General Assembly or any other funds available to a State department or institution may be utilized for advance planning through the working drawing phase of capital improvement projects, upon approval of the Director of the Budget. The Director of the Budget may make allocations from the Advance Planning Fund for advance planning through the working drawing phase of capital improvement projects, except that this revolving fund may not be utilized by the Board of Governors of The University of North Carolina or the State Board of Community Colleges.

Requested by: Senator Royall, Representatives Holmes, G. Wilson
—APPROPRIATIONS LIMITS/REVERSION OR LAPSE

Sec. 60. Except as permitted in previous sections of this act, the appropriations for capital improvements made by the 1989 General Assembly may be expended only for specific projects set out by the 1989 General Assembly and for no other purpose. Construction of all capital improvement projects enumerated by the 1989 General Assembly shall be commenced, or self-liquidating indebtedness with respect to them shall be incurred, within 12 months following the first day of the fiscal year in which the funds are available. If construction contracts on those projects have not been awarded or self-liquidating indebtedness has not been incurred within that period, the direct appropriation for those projects shall revert to the original source, and the self-liquidating appropriation shall lapse; except that direct appropriations may be placed in a reserve fund as authorized in this act. This deadline with respect to both direct and self-liquidating appropriations may be extended up to an additional 12 months if circumstances and conditions warrant such extension.

Requested by: Senator Royall, Representatives B. Ethridge, Redwine
—CLEAN WATER AND SEWER PROGRAM

Sec. 61. Funds appropriated in Section 5 of this act to the Office of State Budget and Management for the North Carolina Clean Water Revolving Loan and Grant Program shall be allocated under the provisions of Chapter 159G of the General Statutes, the North Carolina Clean Water Revolving Loan and Grant Act of 1987.

Requested by: Representative Woodard

—ASSISTANCE TO SMALL WATER SYSTEMS

Sec. 62. Of the funds appropriated to the Office of State Budget and Management for the 1989-90 fiscal year for the Clean Water and Sewer Program in Section 5 of this act, the sum of \$100,000 shall be allocated to the North Carolina Rural Water Association, Inc., as a grant-in-aid for operating expenses incurred for providing training and technical assistance to small water systems throughout the State.

Requested by: Senator Royall, Representatives Holmes, G. Wilson

—EFFECT OF HEADINGS

Sec. 63. The headings to the sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act.

Requested by: Senator Royall, Representatives Holmes, G. Wilson

—COMMITTEE REPORT

Sec. 64. The Joint Conference Report on Proposed Conference Committee Substitute for Senate Bill 1042, dated August 7, 1989, which was distributed to the Senate and the House of Representatives and used to explain this act, shall indicate action by the General Assembly on this act and shall therefore be used to construe this act, as provided in G. S. 143-15 of the Executive Budget Act, and for such purposes shall be considered a part of this act.

Requested by: Senator Royall, Representatives Holmes, G. Wilson

—EFFECTIVE DATE

Sec. 65. This act shall become effective July 1, 1989.

In the General Assembly read three times and ratified this the 10th day of August, 1989.