

## Chapter 146.

### State Lands.

#### SUBCHAPTER I. UNALLOCATED STATE LANDS.

##### Article 1.

##### General Provisions.

#### § 146-1. Intent of Subchapter.

(a) It is the purpose and intent of this Subchapter to vest in the Department of Administration, subject to rules and regulations adopted by the Governor and approved by the Council of State as hereinafter provided, responsibility for the management, control and disposition of all vacant and unappropriated lands, swamplands, lands acquired by the State by virtue of being sold for taxes, and submerged lands, title to which is vested in the State or in any State agency, to be exercised subject to the provisions of this Subchapter.

(b) Further, it is the intent of this Subchapter to establish within the Department, a method for obtaining easements for State-owned lands covered by navigable waters that includes compensation, recognizes the common law rights of riparian or littoral property owners, and balances those rights with the State's obligation to protect public trust rights for all of its citizens. The North Carolina General Assembly finds that the State is unable to provide the necessary access for its citizens to exercise public trust rights and, therefore, recognizes the role that publicly and privately owned piers, docks, wharves, marinas, and other structures located in or over State-owned lands covered by navigable waters generally serve in furthering public trust purposes including:

- (1) Providing citizens with access and ability to exercise public trust boating, fishing, and swimming activities;
- (2) Enhancing the value of appurtenant upland property values with the resulting increased collection of ad valorem taxes;
- (3) Enhancing tourism which is essential to the economy of the State and, in particular, to the coastal counties; and
- (4) Increasing local participation in boating and fishing activities with the resulting increase in taxes paid for fuel, fishing tackle, boat equipment, and imported boats and motors which taxes contribute to the sound economy of the State, and some of which are paid into the federal Wallop-Breaux Fund for redistribution to the State for water resource enhancements and water access improvements.

(c) Nothing in this Subchapter shall apply to a privately owned lake or any hydroelectric reservoir licensed by the Federal Energy Regulatory Commission.

(d) Nothing in this Subchapter shall be construed to limit or expand the full exercise of common law riparian or littoral rights. (1959, c. 683, s. 1; 1995, c. 529, s. 1.)

#### § 146-2. Department of Administration given control of certain State lands; general powers.

The power to manage, control, and dispose of the vacant and unappropriated lands, swamplands, lands acquired by the State by virtue of being sold for taxes, and submerged lands is hereby vested in the Department of Administration, subject to rules and regulations adopted by the Governor and approved by the Council of State, and subject to the provisions of this Subchapter. The Department of Administration shall have the following general powers and duties with respect to those lands:

- (1) To take such measures as it deems necessary to establish, protect, preserve, and enhance the interest of the State in those lands, and to call upon the Attorney General for legal assistance in performing this duty.
- (2) Subject to the approval of the Governor and Council of State, to adopt such rules and regulations as it may deem necessary to carry out its duties under the provisions of this Subchapter. (1959, c. 683, s. 1.)

## Article 2.

### Dispositions.

#### **§ 146-3. What lands may be sold.**

Any State lands may be disposed of by the State in the manner prescribed in this Chapter, with the following exceptions:

- (1) No submerged lands may be conveyed in fee, but easements therein may be granted, as provided in this Subchapter.
- (2) No natural lake belonging to the State or to any State agency on January 1, 1959, and having an area of 50 acres or more, may be in any manner disposed of, but all such lakes shall be retained by the State for the use and benefit of all the people of the State and administered as provided for other recreational areas owned by the State. (1854-5, c. 21; R.C., c. 42, s. 1; Code, s. 2751; Rev., s. 1693; 1911, c. 8; C.S., ss. 7540, 7544; 1929, c. 165; G.S., ss. 146-1, 146-7, 146-12; 1959, c. 683, s. 1.)

#### **§ 146-4. Sales of certain lands; procedure; deeds; disposition of proceeds.**

The Department of Administration may sell the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, at public or private sale, at such times, upon such consideration, in such portions, and upon such terms as are deemed proper by the Department and approved by the Governor and Council of State. Every deed conveying any part of those lands in fee shall be executed in the manner required by G.S. 146-74 through 146-78, and shall be approved by the Governor and Council of State as therein required. The net proceeds of all such sales of those lands shall be paid into the State Literary Fund. Whenever negotiations are begun by the Department for the purpose of selling swampland or the timber thereon, the Department shall promptly notify the State Board of Education of that fact. If the Board deems the proposed sale inadvisable, it may so inform the Governor and Council of State, who may give due consideration to the representations of the Board in determining whether to approve or disapprove the proposed transaction. (R.C., c. 66, s. 12; 1872-3, c. 194, s. 2; Code, ss. 2514, 2515, 2529; 1889, c. 243, s. 4; Rev., s. 4049; C.S., s. 7621; G.S., s. 146-94; 1959, c. 683, s. 1.)

#### **§ 146-5. Reservation to the State.**

In any sale of the vacant and unappropriated lands or swamplands by the State, the following powers may be expressly reserved to the State, to be exercised according to law:

- (1) The State may make any reasonable and expedient regulations respecting the repair of the canals which have been cut by the State, or the enlargement of such canals.
- (2) The State may impose taxes on the lands benefited by those canals for their repair, and they shall not be closed.

- (3) The navigation of the canals shall be free to all persons, subject to a right in the State to impose tolls.
- (4) All landowners on the canals may drain into them, subject only to such general regulations as now are or hereafter may be made by law in such cases.
- (5) The roads along the banks of the canals shall be public roads. (1872-3, c. 118; Code, s. 2534; Rev., s. 4050; C.S., s. 7622; G.S., s. 146-95; 1959, c. 683, s. 1.)

**§ 146-6. Title to land raised from navigable water.**

(a) If any land is, by any process of nature or as a result of the erection of any pier, jetty or breakwater, raised above the high watermark of any navigable water, title thereto shall vest in the owner of that land which, immediately prior to the raising of the land in question, directly adjoined the navigable water. The tract, title to which is thus vested in a riparian owner, shall include only the front of his formerly riparian tract and shall be confined within extensions of his property lines, which extensions shall be perpendicular to the channel, or main watercourses.

(b) If any land is, by act of man, raised above the high watermark of any navigable water by filling, except such filling be to reclaim lands theretofore lost to the owner by natural causes or as otherwise provided under the proviso of subsection (d), title thereto shall vest in the State and the land so raised shall become a part of the vacant and unappropriated lands of the State, unless the commission of the act which caused the raising of the land in question shall have been previously approved in the manner provided in subsection (c) of this section. Title to land so raised, however, does not vest in the State if the land was raised within the bounds of a conveyance made by the State Board of Education, which included regularly flooded estuarine marshlands or lands beneath navigable waters, or if the land was raised under permits issued to private individuals pursuant to G.S. 113-229, G.S. 113A-100 through 113A-128, or both.

(c) If any owner of land adjoining any navigable water desires to fill in the area immediately in front of his land, he may apply to the Department of Administration for an easement to make such fill. The applicant shall deliver to each owner of riparian property adjoining that of the applicant, a copy of the application filed with the Department of Administration, and each such person shall have 30 days from the date of such service to file with the Department of Administration written objections to the granting of the proposed easement. If the Department of Administration finds that the purpose of the proposed fill is to reclaim lands theretofore lost to the owner by natural causes, no easement to fill shall be required. In such a case the Department shall give the applicant written permission to proceed with the project. If the purpose of the proposed fill is not to reclaim lands lost by natural causes and the Department finds that the proposed fill will not impede navigation or otherwise interfere with the use of the navigable water by the public or injure any adjoining riparian owner, it shall issue to such applicant an easement to fill and shall fix the consideration to be paid for the easement, subject to the approval of the Governor and Council of State in each instance. The granting by the State of the written permission or easement so to fill shall be deemed conclusive evidence and proof that the applicant has complied with all requisite conditions precedent to the issuance of such written permission or easement, and his right shall not thereafter be subject to challenge by reason of any alleged omission on his part. None of the provisions of this section shall relieve any riparian owner of the requirements imposed by the applicable laws and regulations of the United States. Upon completion of such filling, the Governor and Council of State may, upon request, direct the execution of a quitclaim deed therefor to the owner to whom the easement was granted, conveying the land so raised, upon such terms as are deemed proper by the Department and approved by the Governor and Council of State.

(d) If an island is, by any process of nature or by act of man, formed in any navigable water, title to such island shall vest in the State and the island shall become a part of the vacant and unappropriated lands of the State. Provided, however, that if in any process of dredging, by either the State or federal government, for the purpose of deepening any harbor or inland waterway, or clearing out or creating the same, a deposit of the excavated material is made upon the lands of any owner, and title to which at the time is not vested in either the State or federal government, or any other person, whether such excavation be deposited with or without the approval of the owner or owners of such lands, all such additions to lands shall accrue to the use and benefit of the owner or owners of the land or lands on which such deposit shall have been made, and such owner or owners shall be deemed vested in fee simple with the title to the same.

(e) The Governor and Council of State may, upon proof satisfactory to them that any land has been raised above the high watermark of any navigable water by any process of nature or by the erection of any pier, jetty or breakwater, and that this, or any other provision of this section vests title in the riparian owner thereof, whenever it may be necessary to do so in order to establish clear title to such land in the riparian owner, direct execution of a quitclaim deed thereto, conveying to such owner all of the State's right, title, and interest in such raised land.

(f) Notwithstanding the other provisions of this section, the title to land in or immediately along the Atlantic Ocean raised above the mean high water mark by publicly financed projects which involve hydraulic dredging or other deposition of spoil materials or sand vests in the State. Title to such lands raised through projects that received no public funding vests in the adjacent littoral proprietor. All such raised lands shall remain open to the free use and enjoyment of the people of the State, consistent with the public trust rights in ocean beaches, which rights are part of the common heritage of the people of this State. (1959, c. 683, s. 1; 1979, c. 414; 1985, c. 276.)

**§ 146-6.1. Repealed by Session Laws 1977, c. 366.**

**§ 146-7. Sale of timber rights; procedure; instruments conveying rights; disposition of proceeds.**

The Department of Administration may sell timber rights in the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, at public or private sale, at such times, upon such consideration, in such portions, and upon such terms as are deemed proper by the Department and approved by the Governor and Council of State. Every instrument conveying timber rights shall be executed in the manner required of deeds by G.S. 146-74 through 146-78, and shall be approved by the Governor and Council of State as therein required, or by the agency designated by the Governor and Council of State to approve conveyances of such rights. The net proceeds of all sales of timber from those lands shall be paid into the State Literary Fund. (1959, c. 683, s. 1.)

**§ 146-8. Disposition of mineral deposits in State lands under water.**

The State, acting at the request of the Department of Environmental Quality, is fully authorized and empowered to sell, lease, or otherwise dispose of any and all mineral deposits belonging to the State which may be found in the bottoms of any sounds, rivers, creeks, or other waters of the State. The State, acting at the request of the Department of Environmental Quality, is authorized and empowered to convey or lease to such person or persons as it may, in its discretion, determine, the right to take, dig, and remove from such bottoms such mineral deposits found therein belonging to the State as may be sold, leased, or otherwise disposed of to them by the State. The State, acting at

the request of the Department of Environmental Quality, is authorized to grant to any person, firm, or corporation, within designated boundaries for definite periods of time, the right to such mineral deposits, or to sell, lease, or otherwise dispose of same upon such other terms and conditions as may be deemed wise and expedient by the State and to the best interest of the State. Before any such sale, lease, or contract is made, it shall be approved by the Department of Administration and by the Governor and Council of State.

Any sale, lease, or other disposition of such mineral deposits shall be made subject to all rights of navigation and subject to such other terms and conditions as may be imposed by the State.

The net proceeds derived from the sale, lease, or other disposition of such mineral deposits shall be paid into the treasury of the State, but the same shall be used exclusively by the Department of Environmental Quality in paying the costs of administration of this section and for the development and conservation of the natural resources of the State, including any advertising program which may be adopted for such purpose, all of which shall be subject to the approval of the Governor, acting by and with the advice of the Council of State. (1937, c. 285; C.S., s. 113-26; 1959, c. 683, s. 1; 1973, c. 1262, s. 86; 1977, c. 771, s. 4; 1989, c. 727, s. 218; 1997-443, s. 11A.119(a); 2015-241, s. 14.30(u).)

#### **§ 146-9. Disposition of mineral deposits in State lands not under water.**

(a) The Department of Administration may sell, lease, or otherwise dispose of mineral rights or deposits in the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, not lying beneath the waters of the State, at such times, upon such consideration, in such portions, and upon such terms as are deemed proper by the Department and approved by the Governor and Council of State. Every instrument conveying such rights shall be executed in the manner required of deeds by G.S. 146-74 through 146-78, and shall be approved by the Governor and Council of State as therein provided, or by the agency designated by the Governor and Council of State to approve conveyances of such rights. The net proceeds of dispositions of all such mineral rights or deposits shall be paid into the State Literary Fund.

(b) Notwithstanding subsection (a) of this section, or any other provision of law, prior to expiration of a lease of mineral deposits in State lands, the Department of Administration or other entity designated by the Department shall solicit competitive bids for lease of such mineral deposits, which shall include a process for upset bids as described in this subsection. An upset bid is an increased or raised bid whereby a person offers to lease such mineral rights for an amount exceeding the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable, by a minimum of five percent (5%). The process shall provide that the Department or other designated entity that issued the solicitation for competitive bids shall issue a notice of high bid to the person submitting the highest bid in response to the initial solicitation for competitive bids, or the person submitting the last upset bid, as applicable, and any other bidders that have submitted a bid in an amount seventy-five percent (75%) or more of the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable, of the highest bid received at that point within 10 days of the closure of the bidding period, as provided in the solicitation for competitive bids, through notice delivered by any means authorized under G.S. 1A-1, Rule 4. Thereafter, an upset bid may be made by delivering to the Department or other designated entity, subject to all of the following requirements and conditions:

- (1) With a deposit in cash, certified check, or cashier's check in an amount greater than or equal to five percent (5%) of the amount of the highest bid received in response to the initial solicitation for competitive bids, or the last upset bid, as

applicable. The deposit required by this section shall be filed by the close of normal business hours on the tenth day after issuance of the Department or other designated entity's notice of high bid. If the tenth day falls upon a weekend or legal holiday, the deposit may be made and the notice of upset bid may be filed on the first business day following that day. There may be successive upset bids, each of which shall be followed by a period of 10 days for a further upset bid.

- (2) The Department or other designated entity may require an upset bidder to deposit a cash bond, or, in lieu thereof at the option of the bidder, a surety bond, approved by the Department or other designated entity. The compliance bond shall be in an amount the Department or other designated entity deems adequate, but in no case greater than the amount of the bid of the person being required to furnish the bond, less the amount of any required deposit. The compliance bond shall be payable to the State of North Carolina and shall be conditioned on the principal obligor's compliance with the bid.
- (3) At the time that an upset bid is submitted pursuant to this subsection, together with a compliance bond if one is required, the upset bidder shall file a notice of upset bid with the Department or other designated entity. The notice of upset bid shall include all of the following:
  - a. State the name, address, and telephone number of the upset bidder.
  - b. Specify the amount of the upset bid.
  - c. Provide that the lease shall remain open for a period of 10 days after the date on which the notice of upset bid is filed for the filing of additional upset bids as permitted by law.
  - d. Be signed by the upset bidder or the attorney or the agent of the upset bidder.
- (4) When an upset bid is made as provided in this subsection, the Department or other designated entity shall notify the highest prior bidder, and any other bidders that have submitted a bid in an amount seventy-five percent (75%) or more of the current high bid received in response to the initial solicitation for competitive bids, or the last upset bid, as applicable.
- (5) When an upset bid is made as provided in this subsection, the last prior bidder is released from any further obligation on account of the bid, and any deposit or bond provided by the last prior bidder shall be released.
- (6) Any person offering to lease mineral deposits in State lands by upset bid as permitted in this subsection is subject to and bound by the terms of the original notice of lease.

(c) The Department of Administration shall require that any lessee of mineral deposits in State lands diligently conduct continuous mining operations for minerals subject to the lease throughout the entire term of the lease.

(d) The Department of Administration shall adopt rules to implement subsection (c) of this section. (1959, c. 683, s. 1; 2015-276, s. 5; 2017-102, s. 27.)

#### **§ 146-10. Leases.**

The Department of Administration may lease or rent the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, at such times, upon such consideration, in such portions, and upon such terms as it may deem proper. Every lease or

rental of such lands by the Department shall be approved by the Governor and Council of State, or by the agency designated by the Governor and Council of State to approve such leases and rentals. (1959, c. 683, s. 1.)

**§ 146-11. Easements, rights-of-way, etc.**

The Department of Administration may grant easements, rights-of-way, dumping rights and other interests in State lands, for the purpose of

- (1) Cooperating with the federal government,
- (2) Utilizing the natural resources of the State, or
- (3) Otherwise serving the public interest.

The Department shall fix the terms and consideration upon which such rights may be granted. Every instrument conveying such interests shall be executed in the manner required of deeds by G.S. 146-74 through 146-78, and shall be approved by the Governor and Council of State as therein provided, or by the agency designated by the Governor and Council of State to approve conveyances of such interests. (1959, c. 683, s. 1.)

**§ 146-12. Easements in lands covered by water.**

(a) The Department of Administration may grant, to adjoining riparian or littoral owners, easements in lands covered by navigable waters or by the waters of any lake owned by the State for such purposes and upon such conditions as it may deem proper, with the approval of the Governor and Council of State. The Department may, with the approval of the Governor and Council of State, revoke any such easement upon the violation by the grantee or his assigns of the conditions upon which it was granted.

Every such easement shall include only the front of the tract owned by the riparian or littoral owner to whom the easement is granted, shall extend no further than the deep water, and shall in no respect obstruct or impair navigation.

When any such easement is granted in front of the lands of any incorporated town, the governing body of the town shall regulate the line on deep water to which wharves may be built.

(b) Easements Not Requiring Approval by the Governor or Council of State. – In accordance with the provisions in subsections (c) through (m) of this section, the Department of Administration shall grant easements to adjoining riparian or littoral owners in State-owned lands covered by navigable waters without the approval of the Governor and the Council of State for:

- (1) Existing structures permitted under Article 7 of Chapter 113A or structures existing prior to the effective date of the permitting requirements of Article 7 of Chapter 113A of the General Statutes.
- (2) New structures permitted under Article 7 of Chapter 113A of the General Statutes after the effective date of this section.

(c) Voluntary Easement Applications for Existing Structures. – Riparian or littoral property owners of existing structures may voluntarily obtain an easement under subsection (b) of this section in accordance with the procedures set forth in this section. For purposes of this section, the term "existing structures" means all presently existing piers, docks, marinas, wharves, and other structures located over or upon State-owned lands covered by navigable waters. Applications for voluntary easements shall be received by the State Property Office no later than October 1, 2001.

(d) Notification of Availability of Voluntary Easements. – The State Property Office shall provide public notice of the availability of voluntary easements by placing an advertisement in one

newspaper of general circulation in each of the coastal counties identified under G.S. 113A-103(2) at least once every six months. The final notice shall be placed no later than September 1, 2001.

(e) Mandatory Easement Applications for New Structures. – Riparian or littoral property owners of new structures shall obtain an easement under subsection (b) of this section in accordance with the procedures set forth in this section.

(f) Easement Application. – An application by a riparian or littoral owner of a new or existing structure for an easement under subsection (b) of this section shall include all of the following and shall:

- (1) Be made in writing to the State Property Office and include the full name and address of the easement applicant.
- (2) Include a plat depicting the footprint and total square footage of all structures located in or over State-owned lands covered by navigable waters. The footprint shall include the total square footage of the area of State-owned lands covered by navigable waters that are enclosed on three or more sides by any structure.
- (3) Include a copy of any "CAMA" permit required for structures under Article 7 of Chapter 113A of the General Statutes.
- (4) Include a copy of the deed or other instrument through which the applicant establishes ownership of the adjacent riparian or littoral property.
- (5) Specify the use or uses associated with the structure to be covered by the easement.
- (6) Include the appropriate easement purchase payment.

(g) Easement Terms. – Any easement granted under subsection (b) of this section shall be in a form suitable for recordation and shall be executed by either the Director or Deputy Director of the State Property Office. The State-owned lands covered by navigable waters included within the easement shall be limited to the footprint of the structure. The terms of each easement shall provide that the easement:

- (1) Is appurtenant to specifically described, adjacent riparian or littoral property and runs with the land.
- (2) Specifies that the holder of the easement shall not exclude or prevent the public from exercising public trust rights, including commercial and recreational fishing, shellfishing, seine netting, pound netting, and other fishing rights.
- (3) Specifies that the holder of the easement obtains no additional rights to interfere with the approval, issuance, or renewal of shellfish or water column leases or to interfere with the use or cultivation of existing shellfish leases, water column leases, or shellfish franchises.
- (4) Specifies that any rights conveyed to the holder of the easement are not inconsistent with the rights conferred by previous conveyances made by the State for the same property.
- (5) Is valid for a term of 50 years from the date of issuance.
- (6) Is eligible for one renewal term of 50 years.
- (7) Is granted in the public interest for good and valuable consideration received by the State.
- (8) Specifies by metes and bounds description or attached plat the footprint of the structure for which the easement is issued.
- (9) Describes the uses of the structure for which the easement is being granted, which may include:

- a. Providing reasonable access for all vessels traditionally used in the main watercourse area to deep water or, where present, to a specified navigational channel;
  - b. Mooring vessels at or adjacent to the structure;
  - c. Enhancing or improving the value of the adjacent riparian or littoral property; and
  - d. All other reasonable, nonexclusive public trust uses as specified in the easement application, to the extent not otherwise limited by provisions of this Subchapter or any other law.
- (10) Specifies that rights granted include the right to repair, rebuild, or restore existing structures consistent with Article 7 of Chapter 113A of the General Statutes.
- (11) Specifies that the exercise of any rights under the easement shall be contingent upon obtaining all required permits.

(h) Easement Purchase Payment. – The easement purchase payment for easements issued under subsection (b) of this section shall be computed on the basis of one thousand dollars (\$1,000) per acre of footprint coverage prorated in increments of two hundred fifty dollars (\$250.00) rounded up to the nearest quarter acre. The minimum payment shall be five hundred dollars (\$500.00) if any payment is owed after the riparian credit is applied. In recognition of common law riparian and littoral rights and a declared public policy concern that easements provided under this section be available to all citizens, a credit shall be given against any easement purchase payment in an amount equal to the number of linear feet of shoreline multiplied by a factor of 54 feet. No linear feet of shoreline may be used in computing the credit if that area of shoreline has been the basis of a previous credit. For purposes of determining the linear feet of shoreline owned, an application submitted by a corporation or other entity whose members include riparian or littoral lot owners, which owners have the right to use the structure for which the easement is sought, and whose lots are restricted from construction thereon of other structures for similar use, shall be considered an application whose easement purchase payment shall be determined by using the entirety of such use restricted shoreline for purposes of determining the applicable riparian credit. Shoreline utilization shall be considered "use restricted" if riparian or littoral structures are prohibited by either permit condition or by restrictive covenant or similar, enforceable private restriction.

(i) Easement Issuance. – Within 75 days of receipt of a completed application under subsection (f) of this section, the Director or Deputy Director of the State Property Office shall issue the requested easement in a form sufficient for recording in the register of deeds of the county or counties in which any part of the structure is located. The act of easement issuance under subsection (b) of this section shall be exempt from the provisions in Chapter 150B of the General Statutes. Failure to issue the requested easement within 75 days of receipt of a completed application and any applicable easement purchase payments shall be treated as issuance of the requested easement and shall entitle the applicant to execution and issuance of the easement.

(j) Easement Renewal. – Upon written request from the current easement holder, easements shall be renewed for one additional term of 50 years. Renewal easements shall be subject to the terms, conditions, and purchase payments applicable to initial easements at the time of renewal. Written notification of expiring easements shall be provided by the State Property Office at least 180 days prior to expiration of the initial easement term. Letter applications for

renewal easements shall be submitted within 180 days of the notice of expiration by the State Property Office.

(k) Easement Modification. – Any expansion of the footprint of an existing structure shall require an easement or modification of any existing easement. The application for a modification of an easement shall be as provided in subsection (f) of this section. The easement purchase payment shall be based only on the footprint of the expansion after applying the riparian credit. The minimum easement purchase payment shall be five hundred dollars (\$500.00) if any payment is owed after the riparian credit is applied. Easement holders may voluntarily apply for modification of an easement to correct any material errors or omissions. No easement purchase payment shall be required for the modification of an existing use that does not expand the footprint of the existing structure. No refunds shall be provided for any modification that reduces the footprint.

(l) Easement Transfers. – An easement granted under subsection (b) of this section shall be transferred to a subsequent owner of the adjacent riparian or littoral property upon written notification to the State Property Office. The notification shall be given within 12 months of the transfer of title to the adjacent riparian or littoral property and shall be accompanied by the instrument of transfer and an easement purchase payment as follows:

- (1) During the first 25 years of the easement term, the easement purchase payment shall be the same as the initial payment; and
- (2) During the second 25 years of the easement term, the easement purchase payment shall be twice the amount of the initial payment.

(m) Easement Revocation. – Easements issued under subsection (b) of this section may be revoked in accordance with the provisions of G.S. 146-12(a). Any revocation shall entitle the easement holder to seek administrative review in accordance with the provisions of Article 3 of Chapter 150B of the General Statutes.

(n) Exemptions. – The following types of structures shall not require an easement under this section:

- (1) Piers, docks, or similar structures for the exclusive use of the owner or occupant of the adjacent riparian or littoral property, which generate no revenue directly related to the structure and which accommodate no more than ten vessels;
- (2) Structures constructed by any public utility that provide or assist in the provision of utility service;
- (3) Structures constructed or owned by the State of North Carolina, or any political subdivision, agency, or department of the State, for the duration that the structures are owned by the entity; or
- (4) Structures on submerged lands or lands covered by navigable waters not owned by or for the benefit of the public that have been created by dredging or excavating lands. (1854-5, c. 21; R.C., c. 42, s. 1; Code, s. 2751; 1889, c. 555; 1891, c. 532; 1893, cc. 4, 17, 349; 1901, c. 364; Rev., s. 1696; C.S., s. 7543; G.S., s. 146-6; 1959, c. 683, s. 1; 1995, c. 529, s. 2; 1998-217, s. 35(a), (b).)

### **§ 146-13. Erection of piers on State lakes restricted.**

No person, firm, or corporation shall erect upon the floor of, or in or upon, the waters of any State lake, any dock, pier, pavilion, boathouse, bathhouse, or other structure, without first having secured a permit to do so from the Department of Administration, or from the agency designated by the Department to issue such permits. Each permit shall set forth in required detail the size, cost, and nature of such structure; and any person, firm, or corporation erecting any such structure

without a proper permit or not in accordance with the specifications of such permit shall be guilty of a Class 3 misdemeanor. The State may immediately proceed to remove such unlawful structure through due process of law, or may abate or remove the same as a nuisance after five days' notice. (1933, c. 516, s. 3; G.S., s. 146-10; 1959, c. 683, s. 1; 1993, c. 539, s. 1051; 1994, Ex. Sess., c. 24, s. 14(c).)

**§ 146-14. Proceeds of dispositions of certain State lands.**

The net proceeds of all sales, leases, rentals, or other dispositions of the vacant and unappropriated lands, swamplands, and lands acquired by the State by virtue of being sold for taxes, and all interests and rights therein, shall be paid into the State Literary Fund, except as otherwise provided in this Chapter. (1959, c. 683, s. 1.)

**§ 146-14.1. Natural Resources Easement Fund.**

The Natural Resources Easement Fund is established as a nonreverting fund within the Department of Administration. All easement purchase payment monies collected by the Secretary shall be deposited in the Fund. The Fund may be used for direct costs of administering the program. Fifty percent (50%) of the net proceeds in the Fund shall be transferred annually to the Marine Fisheries Commission, and fifty percent (50%) of the net proceeds in the Fund shall be transferred annually to the Wildlife Resources Commission, to be used by both Commissions for the sole purpose of enhancing public trust resources and increasing the public's access to and use of public trust resources, including, but not limited to, meeting the State's cost share obligations for federal Wallop-Breaux Fund projects, enhancing water resources and expanding the number of public boat ramps and other means of public waters access within the counties designated under G.S. 113A-103(2), and other public trust access purposes. (1995, c. 529, s. 3.)

**§ 146-15. Definition of net proceeds.**

For the purposes of this Subchapter, the term "net proceeds" means the gross amount received from the sale, lease, rental, or other disposition of any State lands, less

- (1) Such expenses incurred incident to that sale, lease, rental, or other disposition as may be allowed under rules and regulations adopted by the Governor and approved by the Council of State; and
- (2) Repealed by Session Laws 1993, c. 553, s. 52.
- (3) A service charge to be paid into the State Land Fund.

The amount or rate of such service charge shall be fixed by rules and regulations adopted by the Governor and approved by the Council of State, but as to any particular sale, lease, rental, or other disposition, it shall not exceed ten percent (10%) of the gross amount received from such sale, lease, rental, or other disposition. Notwithstanding any other provision of this Subchapter, no service charge shall be paid into the State Land Fund from proceeds derived from the sale of land or products of land owned or held for the use of the Wildlife Resources Commission, or purchased or acquired with funds of the Wildlife Resources Commission. (1959, c. 683, s. 1; 1993, c. 553, s. 52.)

Article 3.

Discovery and Reclamation.

**§ 146-16. Department of Administration to supervise.**

The Department of Administration shall be responsible for discovering, inventorying, surveying, and reclaiming the vacant and unappropriated lands, swamplands, and lands acquired

by the State by virtue of being sold for taxes, and shall take all measures necessary to that end. All expenses incurred in the performance of these activities shall be paid from the State Land Fund, unless otherwise provided by the General Assembly. (1959, c. 683, s. 1.)

**§ 146-17. Mapping and discovery agreements.**

The Department of Administration, acting on behalf of the State, for the purpose of discovering State lands, may, with the approval of the Governor and Council of State, enter into agreements with counties, municipalities, persons, firms, and corporations providing for the discovery of State land by the systematic mapping of the counties of the State and by other appropriate means. All expenses incurred by the Department incident to such mapping and discovery agreements shall be paid from the State Land Fund, unless otherwise provided by the General Assembly. (1959, c. 683, s. 1.)

**§ 146-17.1. Rewards; reclamation of certain State lands; wrongful removal of timber from State lands.**

(a) The Department of Administration, acting on behalf of the State, for the purpose of discovering State lands, may, with the approval of the Governor and Council of State, pay any person, firm or corporation who shall provide information that leads to the successful reclamation of any swamplands or vacant and unappropriated lands of the State, a reward equal to one percent (1%) of the appraised value of the reclaimed land, or one thousand dollars (\$1,000), whichever sum is less. All expenses incurred by the Department pursuant to this subsection shall be paid from the State Land Fund, unless otherwise provided by the General Assembly.

(b) The Department of Administration, acting on behalf of the State, may, with the approval of the Governor and Council of State, pay any person, firm or corporation who shall provide information that leads to a successful monetary recovery by the State from any person, firm or corporation who wrongfully cuts or removes timber from State lands, a reward equal to one percent (1%) of the amount of said monetary recovery, or one thousand dollars (\$1,000), whichever sum is less. All expenses incurred by the Department pursuant to this subsection shall be paid from said monetary recovery, unless otherwise provided by the General Assembly.

(c) No State employee or official, or other public employee or official, shall be eligible for a reward pursuant to subsections (a) or (b) of this section for providing any information obtained in the normal course of his or her official duties. (1979, c. 742, s. 1.)

Article 4.

Miscellaneous Provisions.

**§ 146-18. Recreational use of State lakes regulated.**

All recreation, except hunting and fishing, in, upon, or above any or all of the State lakes referred to in this Subchapter may be regulated in the public interest by the State agency having administrative authority over these areas. (1933, c. 516, s. 1; G.S., s. 146-8; 1959, c. 683, s. 1.)

**§ 146-19. Fishing license fees for nonresidents of counties in which State lakes are situated.**

The Wildlife Resources Commission, through its authorized agent or agents, is hereby authorized to require of nonresidents of the county within which a State lake is situated a daily or weekly permit in lieu of the regular "resident State license" for fishing with hook and line or rod and reel within said lake in accordance with the regulations of the Commission relating to said lake. Except for the provisions of this section, the laws and regulations dealing with the issuance of

fishing permits by said Commission must be complied with. (1933, c. 516, s. 4; G.S., s. 146-11; 1959, c. 683, s. 1.)

**§ 146-20. Forfeiture for failure to register deeds.**

All the grants and deeds for swamplands made prior to November 1, 1883, must have been proved and registered, in the county where the lands are situate, within 12 months from November 1, 1883, and every such grant or deed, not being so registered within that time, shall be void, and the title of the proprietor in such lands shall revert to the State; but the provisions of this section shall be applicable only to the swamplands which have been surveyed or taken possession of by, or are vested in, the State or its agencies. (R.S., c. 67, s. 10; R.C., c. 66, s. 10; Code, ss. 2513, 3866; Rev., s. 4046; C.S., s. 7623; G.S., s. 146-96; 1959, c. 683, s. 1.)

**§ 146-20.1. Conveyance of certain marshlands validated; public trust rights reserved.**

(a) Validation. – All conveyances of swamplands, including regularly flooded estuarine marshlands, that have previously been made by the Literary Fund, the North Carolina Literary Board, or the State Board of Education are declared valid, and the person to whom the conveyance was made or his successor in title is declared to have title to the marshland.

(b) Reservation. – Areas of regularly flooded estuarine marshlands within conveyances validated by subsection (a) remain subject to all public trust rights. (1985, c. 278, s. 1.)

**SUBCHAPTER II. ALLOCATED STATE LANDS.**

Article 5.

General Provisions.

**§ 146-21. Intent of Subchapter.**

It is the purpose and intent of this Subchapter to provide for and regulate the acquisition, disposition, and management of all State lands other than the vacant and unappropriated lands, swamplands, lands acquired by the State by virtue of being sold for taxes, and submerged lands. (1959, c. 683, s. 1.)

Article 6.

Acquisitions.

**§ 146-22. All acquisitions to be made by Department of Administration.**

(a) Every acquisition of land on behalf of the State or any State agency, whether by purchase, condemnation, lease, or rental, shall be made by the Department of Administration and approved by the Governor and Council of State.

(b) If the proposed acquisition is a purchase or gift of land with an appraised value of at least twenty-five thousand dollars (\$25,000), and the acquisition is for other than a transportation purpose, the acquisition may only be made after written notice to the Joint Legislative Commission on Governmental Operations, to the board of commissioners and the county manager, if any, of the county in which the land is located, and to the governing body and the city manager, if any, of the municipality in which the land is located if the land is located within a municipality. The notice shall be given to the chairs of the Commission and of the county and municipal governing boards at least 30 days prior to the acquisition, and the chairs shall forward a copy of the notice to the members of their respective bodies within three days of their receipt of the notice. The board of commissioners, individual commissioners, the governing body of the municipality, and individual

members of that body may provide written comments on the acquisition to the Department of Administration; the Department shall forward the comments to the Governor and the Council of State.

In determining whether the appraised value is at least twenty-five thousand dollars (\$25,000), the value of the property in fee simple shall be used.

The State may not purchase land as a tenant-in-common without consultation with the Joint Legislative Commission on Governmental Operations if the appraised value of the property in fee simple is at least twenty-five thousand dollars (\$25,000).

(c) Acquisitions on behalf of the University of North Carolina Health Care System shall be made in accordance with G.S. 116-350.50, acquisitions on behalf of the University of North Carolina Hospitals at Chapel Hill shall be made in accordance with G.S. 116-350.15(d), acquisitions on behalf of the clinical patient care programs of the School of Medicine of The University of North Carolina at Chapel Hill shall be made in accordance with G.S. 116-350.15(d), and acquisitions on behalf of the Medical Faculty Practice Plan of the East Carolina University School of Medicine shall be made in accordance with G.S. 116-360.35(a). (1957, c. 584, s. 6; G.S., s. 146-103; 1959, c. 683, s. 1; 1983 (Reg. Sess., 1984), c. 1116, s. 97; 1998-212, s. 11.8(d); 2005-39, s. 1; 2007-322, s. 11; 2007-396, s. 1; 2023-134, s. 4.10(x).)

#### **§ 146-22.1. Acquisition of property.**

In order to carry out the duties of the Department of Administration as set forth in Chapters 143 and 146 of the General Statutes, the Department of Administration is authorized and empowered to acquire by purchase, gift, condemnation or otherwise:

- (1) Lands necessary for the construction and operation of State buildings and other governmental facilities.
- (2) Lands necessary for construction and operation of parking facilities.
- (3) An area in the City of Raleigh bounded by Edenton Street, Person Street, Peace Street, the right-of-way of the main line of Seaboard Coast Line Railway and North McDowell Street for the expansion of State governmental facilities, the public interest in, public use of, and the necessity for the acquisition of said area, being hereby declared as a matter of legislative determination.
- (4) Lands necessary for the location, expansion, operation and improvement of hospital and mental health facilities and similar institutions maintained by the State of North Carolina.
- (5) Lands necessary for public parks and forestry purposes.
- (6) Lands involving historical sites, together with such adjacent lands as may be necessary for their preservation, maintenance and operation.
- (7) Lands necessary for the location, expansion and improvement of any educational, penal or correctional institution.
- (8) Lands necessary to provide public access to the waters within the State.
- (9) Lands necessary for agricultural, experimental and research facilities.
- (10) Utility and access easement, rights-of-way, estates for terms of years or fee simple title to lands necessary or convenient to the operation of state-owned facilities.
- (11) Lands necessary for the development and preservation of the estuarine areas of the State.
- (12) Lands necessary for the development of waterways within the State.

- (13) Lands necessary for acquisition of all or part of an area of environmental concern, as requested pursuant to G.S. 113A-123.
- (14) Lands necessary for the construction of hazardous waste facilities as defined in G.S. 130A-290, inactive hazardous substance or waste disposal sites as defined in G.S. 130A-310, Superfund sites as described in G.S. 130A-310.22, and lands necessary for the construction of low-level radioactive waste facilities as defined in G.S. 104E-5. (1969, c. 1091, s. 1; 1973, c. 1284, s. 2; 1981, c. 704, s. 23; 1989, c. 286, s. 11.)

**§ 146-22.2. Appraisal of property to be acquired by State.**

(a) Except as otherwise provided in G.S. 136-19.6, where an appraisal of real estate or an interest in real estate is required by law to be made before acquisition of the property by the State or an agency of the State, the appraisal shall be made by a real estate appraiser licensed or certified by the State under Article 5 of Chapter 93A of the General Statutes.

(b) Repealed by Session Laws 2017-57, s. 34.5(b). (1989 (Reg. Sess., 1990), c. 827, s. 12; 1991, c. 94, s. 1; 1993, c. 519, s. 1; 1993 (Reg. Sess., 1994), c. 691, s. 1; 1995, c. 135, s. 1; 2017-57, s. 34.5(b).)

**§ 146-22.3. Acquisition of land to be used to restore, enhance, preserve, or create wetlands.**

(a) Payment. – A State agency that acquires land by purchase for the purpose of restoring, enhancing, preserving, or creating wetlands as required by a permit or an authorization issued by the United States Army Corps of Engineers under 33 U.S.C. § 1344 must pay to the county in which the land is located, as reimbursement, a sum equal to the estimated amount of ad valorem taxes that would have accrued to the county for the next 20 years had the land not been acquired by the State agency.

(b) Exception. – This section does not apply when the land purchased by the State agency and the wetlands permitted to be lost are located in the same county. In other circumstances, the governing body of the county and the State agency may enter into a written agreement to waive payment.

(c) Amount. – The estimated amount of ad valorem taxes that would have accrued for the next 20 years is the total assessed value of the acquired land excluded from the county's tax base multiplied by the tax rate set by the county board of commissioners in its most recent budget ordinance adopted under Chapter 159 of the General Statutes, and then multiplied by 20.

(d) Application. – This section applies only to land acquired in counties designated as a development tier one area under G.S. 143B-437.08. (2004-188, s. 4; 2006-252, s. 2.14.)

**§ 146-22.4. Acquisition of wetlands from private mitigation banking companies.**

(a) Payment for Taxes. – A State agency that acquires wetlands from a private mitigation banking company must pay a sum in lieu of ad valorem taxes to the county where the wetlands are located. The sum is equal to the estimated amount of ad valorem taxes that would have accrued for the next 20 years as computed in G.S. 146-22.3(c).

(b) Requirement for Acquisition. – A State agency may require, as a condition of accepting a donation of wetlands by a private mitigation banking company, that the company make adequate provisions for the long-term maintenance and management of the wetlands. These provisions may include reimbursement to the agency for payment of a sum in lieu of ad valorem taxes.

(c) Application. – This section applies only to land acquired in counties designated as a development tier one area under G.S. 143B-437.08. (2004-188, s. 5; 2006-252, s. 2.15.)

**§ 146-22.5. Reimbursement of payment in lieu of future ad valorem taxes.**

(a) If a State agency acquires land under G.S. 146-22.3 or G.S. 146-22.4 and later uses this land to mitigate wetlands permitted to be lost in the same county, then the county shall reimburse the State agency. The reimbursement shall equal the estimated amount of ad valorem taxes paid for the land in accordance with G.S. 146-22.3 minus ten percent (10%) of this amount multiplied by the number of years the State agency held the land before the wetlands were lost.

(b) Application. – This section applies only to land acquired in counties designated as a development tier one area under G.S. 143B-437.08. (2004-188, s. 6; 2005-435, s. 44; 2006-252, s. 2.16.)

**§ 146-23. Agency must file statement of needs; Department must investigate.**

Any State agency desiring to acquire land, whether by purchase, condemnation, lease, or rental, shall file with the Department of Administration an application setting forth its needs, and shall furnish such additional information as the Department may request relating thereto. Upon receipt of such application, the Department of Administration shall promptly investigate all aspects of the requested acquisition, including the existence of actual need for the requested property on the part of the requesting agency; the availability of land already owned by the State or by any State agency which might meet the requirements of the requesting agency; the availability, value, and status of title of other land, whether for purchase, condemnation, lease, or rental, which might meet the requirements of the requesting agency; and the availability of funds to pay for land if purchased, condemned, leased, or rented. In investigating the availability of land already owned by the State or by any State agency which might meet the requirements of the requesting agency, the Department of Administration shall review the utilization information maintained in the real property inventories pursuant to G.S. 143-341(4). The Department of Administration may make acquisitions at the request of the Governor and Council of State upon compliance with the investigation herein required. (1957, c. 584, s. 6; G.S., s. 146-104; 1959, c. 683, s. 1; 1969, c. 1091, s. 2; 2016-119, s. 3(a).)

**§ 146-23.1. Buildings having historic, architectural or cultural significance.**

In order to promote the use of buildings having historic, architectural or cultural significance, the Department of Administration shall inform the North Carolina Historical Commission of all geographical areas in the State within which the State is actively seeking to lease space for the accommodation of State agencies. Within 60 days of the receipt of such information, the North Carolina Historical Commission shall identify for the Department of Administration all buildings within such geographical areas that (i) are known to be of historic, architectural or cultural significance (including but not limited to buildings listed or eligible to be listed on the National Register established pursuant to 16 U.S.C. 470(a)), and (ii) which may be suitable, whether or not in need of repair, alteration or addition, for acquisition or lease to meet the public building and space needs of State agencies. In addition, the North Carolina Historical Commission shall furnish the Department of Administration such additional information on the physical condition, usable space, and the nature and approximate costs of necessary historic rehabilitation as the department may request in order for the department to determine whether the acquisition or lease of space in such buildings is feasible and prudent.

In acquiring lease space pursuant to G.S. 146-25.1, the Department of Administration shall give preference to lease proposals involving buildings identified by the North Carolina Historical Commission as having historic, architectural or cultural significance. Provided, however, that such preference shall be given only when the Department of Administration, after investigation as provided in this Article, determines that such proposal is feasible, prudent and in the best interest of the State, as compared with available alternatives, such determination to include the State's policy to preserve historic buildings. (1977, c. 998, s. 1.)

**§ 146-23.2. Purchase of buildings constructed or renovated to a certain energy-efficiency standard.**

(a) A State agency shall not acquire by purchase any building unless the building was designed and constructed to at least the same standards for energy efficiency and water use that the design and construction of a comparable State building was required to meet at the time the building under consideration for purchase was constructed. Further, a State agency shall not acquire by purchase any building that had a major renovation unless the major renovation of the building was designed and constructed to at least the same standards for energy efficiency and water use that the design and construction of a major renovation of a comparable State building was required to meet at the time the building under consideration for purchase was renovated.

(b) This section does not apply to the purchase of a building having historic, architectural, or cultural significance under Part 4 of Article 2 of Chapter 143B of the General Statutes. This section does not apply to buildings that are acquired by devise or gift. (2008-203, s. 3.)

**§ 146-24. Procedure for purchase or condemnation.**

(a) If, after investigation, the Department determines that it is in the best interest of the State that land be acquired, the Department shall proceed to negotiate with the owners of the desired land for its purchase.

(b) If the purchase price and other terms are agreed upon, the Department shall then submit to the Governor and Council of State the proposed purchase, together with a copy of the deed, for their approval or disapproval. If the Governor and Council of State approve the proposed purchase, the Department shall pay for the land and accept delivery of a deed thereto. All conveyances of purchased real property shall be made to "the State of North Carolina," and no such conveyance shall be made to a particular agency, or to the State for the use or benefit of a particular agency.

(c) If negotiations for the purchase of the land are unsuccessful, or if the State cannot obtain a good and sufficient title thereto by purchase from the owners, then the Department of Administration may request permission of the Governor and Council of State to exercise the right of eminent domain and acquire any such land by condemnation in the same manner as is provided for the Board of Transportation by Article 9 of Chapter 136 of the General Statutes. Upon approval by the Governor and Council of State, the Department may proceed to exercise the right of eminent domain. Approval by no other State agency shall be required as a prerequisite to the exercise of the power of eminent domain by the Department. Provided that when the procedures of Article 9 of Chapter 136 are employed by the Department, any person named in or served with a complaint and declaration of taking shall have 120 days from the date of service thereof within which to file answer. (1957, c. 584, s. 6; G.S., s. 146-105; 1959, c. 683, s. 1; 1967, c. 512, s. 1; 1973, c. 507, s. 5; 1981, c. 245, s. 1.)

**§ 146-24.1. The power of eminent domain.**

In carrying out the duties and purposes set forth in Chapters 143 and 146 of the General Statutes, the Department of Administration is vested with the power of eminent domain and shall have the right and power to acquire such lands, easements, rights-of-way or estates for years by condemnation in the manner prescribed by G.S. 146-24 of the General Statutes. The power of eminent domain herein granted is supplemental to and in addition to the power of eminent domain which may be now or hereafter vested in any State agency as defined by G.S. 146-64 and the Department of Administration may exercise on behalf of such agency the power vested in said agency or the power vested in the Department of Administration herein; and the Department of Administration may follow the procedure set forth in G.S. 146-24 or the procedure of such agency, at the option of the Department of Administration. Where such acquisition is made at the request of an agency, such agency shall make a determination of the necessity therefor; where such acquisition is on behalf of the State or at the request of the Department of Administration, such findings shall be made by the Director of Administration. Provided, however, that all such acquisitions shall have the approval of the Governor and Council of State as provided in G.S. 146-24.

This section shall not apply to public projects and condemnations for which specific statutory condemnation authority and procedures are otherwise provided. (1969, c. 1091, ss. 3, 4.)

#### **§ 146-25. Leases and rentals.**

(a) General Procedure. – If, after investigation, the Department of Administration determines that it is in the best interest of the State that land be leased or rented for the use of the State or of any State agency, the Department shall proceed to negotiate with the owners for the lease or rental of such property. All lease and rental agreements entered into by the Department shall be promptly submitted to the Governor and Council of State for approval or disapproval.

(b) Leases Exceeding 30-Year Terms. – The Department of Administration shall not enter into a lease of real property for a period of more than 30 years, or a renewal of a lease of real property if the renewal would make the total term of the lease exceed 30 years, unless specifically authorized to do so by the General Assembly. The Department of Administration shall report to the Joint Legislative Commission on Governmental Operations at least 30 days prior to entering or renewing such a lease and shall include a copy of the legislation authorizing the lease or lease renewal in the report. This subsection shall not apply to leases by a university endowment to a university. (1957, c. 584, s. 6; G.S., s. 146-106; 1959, c. 683, s. 1; 2016-94, s. 37.7(a).)

#### **§ 146-25.1. Proposals to be secured for leases.**

(a) If pursuant to G.S. 146-25, the Department of Administration determines that it is in the best interest of the State to lease or rent land and the rental is estimated to exceed forty thousand dollars (\$40,000) per year or the term will exceed three years, the Department shall require the State agency desiring to rent land to prepare and submit for its approval a set of specifications for its needs. Upon approval of specifications, the Department shall prepare a public advertisement. The State agency shall place such advertisement in a newspaper of general circulation in the county for proposals from prospective lessors of said land and shall make such other distribution thereof as the Department directs. The advertisement shall be run for at least five consecutive days, and shall provide that proposals shall be received for at least seven days from the date of the last advertisement in the State Property Office of the Department. The provisions of this section do not apply to property owned by governmental agencies and leased to other governmental agencies.

(b) The Department may negotiate with the prospective lessors for leasing of the needed land, taking into account not only the rental offered, but the type of land, the location, its suitability for the purposes, services offered by the lessor, and all other relevant factors. In the event either no proposal or no acceptable proposal is received after advertising in accordance with subsection (a) of this section, the Department may negotiate in the open market for leasing of the needed land.

(c) The Department of Administration shall present the proposed transaction to the Council of State for its consideration as provided by this Article. In the event the lowest rental proposed is not presented to the Council of State, that body may require a statement of justification, and may examine all proposals. (1973, c. 1448; 1975, c. 523; 1977, c. 485; 1979, c. 43, s. 1; 1983 (Reg. Sess., 1984), c. 1116, s. 97; 1999-252, s. 1; 2019-241, s. 12.)

#### **§ 146-26. Donations and devises to State.**

No devise or donation of land or any interest therein to the State or to any State agency shall be effective to vest title to the land or any interest therein in the State or in any State agency until the devise or donation is accepted by the Governor and Council of State. If the land is devised or donated to the State or to any State agency as an historic property, then title shall not vest until the Historical Commission reports to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division as provided in G.S. 121-9. Upon acceptance by the Governor and Council of State, title to the said land or interest therein shall immediately vest as of the time title would have vested but for the above requirement of reporting to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division if an historic property and acceptance by the Governor and Council of State. (1957, c. 584, s. 6; G.S., s. 146-107; 1959, c. 683, s. 1; 1996, 2nd Ex. Sess., c. 18, s. 7.7(b); 2017-57, s. 14.1(cc).)

#### **§ 146-26.1. Relocation assistance.**

In the acquisition of any real property by the Department of Administration for a public use, the Department of Administration shall be vested with the authority as set forth in Article 2 of Chapter 133 of the General Statutes. (1971, c. 540; 1973, c. 507, s. 5; 1977, c. 464, s. 34; 1993, c. 553, s. 52.1.)

### Article 7.

#### Dispositions.

#### **§ 146-27. The role of the Department of Administration in sales, leases, and rentals.**

(a) General. – Every sale, lease, rental, or gift of land owned by the State or by any State agency shall be made by the Department of Administration and approved by the Governor and Council of State. A lease or rental of land owned by the State may not exceed a period of 99 years. The Department of Administration may initiate proceedings for sales, leases, rentals, and gifts of land owned by the State or by any State agency.

(b) Large Disposition. – If a proposed disposition is a sale or gift of land with an appraised value of at least twenty-five thousand dollars (\$25,000), the sale or gift shall not be made until after consultation with the Joint Legislative Commission on Governmental Operations.

(c) Expired effective September 1, 2007. (1957, c. 584, s. 6; G.S., s. 146-108; 1959, c. 683, s. 1; 1977, c. 425, ss. 1, 2; 1987, c. 738, s. 47(b); 1993, c. 561, s. 32(a); 1998-159, s. 5; 2005-276, s. 6.25(a).)

**§ 146-28. Agency must file application with Department; Department must investigate.**

Any State agency desiring to sell, lease, or rent any land owned by the State or by any State agency shall file with the Department of Administration an application setting forth the facts relating to the proposed transaction, and shall furnish the Department with such additional information as the Department may request relating thereto. Upon receipt of such application, the Department of Administration shall promptly investigate all aspects of the proposed transaction, including particularly present and future State need for the land proposed to be conveyed, leased, or rented. (1957, c. 584, s. 6; G.S., s. 146-109; 1959, c. 683, s. 1.)

**§ 146-29. Procedure for sale, lease, or rental.**

(a) General Procedure. – If, after investigation, the Department of Administration determines that it is in the best interest of the State that land be sold, leased, or rented, the Department shall proceed with its sale, lease, or rental, as the case may be, in accordance with rules adopted by the Governor and approved by the Council of State. If an agreement of sale, lease, or rental is reached, the proposed transaction shall then be submitted to the Governor and Council of State for their approval or disapproval. Every conveyance in fee of land owned by the State or by any State agency shall be made and executed in the manner prescribed in G.S. 146-74 through 146-78.

(b) Limitations on Certain Leases. – The Department of Administration shall not enter into a lease or lease renewal of the following types unless specifically authorized to do so by the General Assembly:

- (1) A lease of real property for a period of more than 30 years, or a renewal of a lease of real property, if the renewal would make the total term of the lease exceed 30 years.
- (2) A lease of real property, or a renewal of a lease of real property, for any term if both of the following conditions are satisfied:
  - a. State personnel or State functions would need to be relocated as a result of the lease or renewal.
  - b. The agency to which the property is currently allocated possesses insufficient operating funds to cover the cost of both the relocation and the ongoing provision of State functions affected by the relocation.

(c) Reporting Required. – The Department of Administration shall report to the Joint Legislative Commission on Governmental Operations at least 30 days prior to entering or renewing any lease described in subdivision (b)(1) of this section or any lease or renewal that will require the relocation of State personnel or State functions. The report shall include all of the following:

- (1) If the lease or lease renewal will require State personnel or State functions to be relocated, a statement of the legislation authorizing the lease or lease renewal or a detailed statement of the operating funds that will be used to cover the cost of both the relocation and the ongoing provision of State functions affected by the relocation, as applicable.
- (2) If the lease or lease renewal will have a term of more than 30 years, a statement of the legislation authorizing the lease or lease renewal.

(d) Exemptions. – This section shall not apply to the following:

- (1) The granting of utility easements, including the lease of interests in real property pursuant to G.S. 146-29.2.

- (2) Leases for student housing projects, including a ground lease to a university endowment for the purpose of facilitating the construction of student housing.
- (3) Leases made as part of the Voice Interoperability Plan for Emergency Responders (VIPER) project being managed by the Department of Public Safety. (1957, c. 584, s. 6; G.S., s. 146-110; 1959, c. 683, s. 1; 2016-94, s. 37.7(b).)

**§ 146-29.1. Lease or sale of real property for less than fair market value.**

(a) Real property owned by the State or any State agency may not be sold, leased, or rented at less than fair market value to any private entity that operates, or is established to operate for profit.

(b) Real property owned by the State or by any State agency may be sold, leased, or rented at less than fair market value to a public entity. "Public entity" means a county, municipal corporation, local board of education, community college, special district or other political subdivision of the State and the United States or any of its agencies. Any such sale, lease, or rental shall be reported at least 30 days prior to the sale, lease, or rental to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division of the Legislative Services Office, with the details of such transaction.

(c) Real property owned by the State or by any State agency may be sold, leased, or rented at less than market value to a private, nonprofit corporation, association, organization or society if the Department of Administration determines both of the following:

- (1) The transaction is in consideration of public service rendered or to be rendered by the nonprofit.
- (2) The property will be used in connection with the nonprofit's tax-exempt purpose and not in connection with its unrelated trade or business, as defined in section 513 of the Code. For the purposes of this subdivision, the term "Code" has the same meaning as in G.S. 105-228.90.

The transaction shall be reported in detail at least 30 days prior to the sale, lease, or rental to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division of the Legislative Services Office. The fact that any sale of property under this subsection shall not be subject to a reversionary interest in the State shall be expressly made known to the Joint Legislative Commission on Governmental Operations, and the Governor and Council of State, prior to the transaction being authorized.

(d) Any sale, lease, or rental of real property made in conformity with the provisions of this section is not a violation of G.S. 66-58(a).

(e) All sales, leases, or rentals, prior to July 15, 1986, of real property owned by the State or any State agency are not invalid because of a conflict with G.S. 66-58(a) or with a prior version of this section, but any renewal of any such lease or rental agreement on or after July 15, 1986, shall conform to the requirements of this section.

(f) If the fair market value of State-owned real property exceeds one million dollars (\$1,000,000), a gift of any interest in the property or a sale, lease, or rental of any interest in the property for below fair market value shall not be effective until the later of the following:

- (1) If a bill that specifically disapproves the transaction is introduced in either house of the General Assembly before the 31st legislative day of the next regular session of the General Assembly that begins at least 25 days after the date that the agreement making the transfer is entered into, the earlier of (i) the

day that an unfavorable final action is taken on the bill or (ii) the day that the General Assembly adjourns without ratifying the bill.

- (2) The 31st legislative day of the session of the General Assembly described in subdivision (1) of this section, if a bill disapproving the transaction is not introduced before that day.
- (f1) For the purpose of subsection (f) of this section:
  - (1) "Next regular session" means:
    - a. For odd-numbered years its initial convening.
    - b. For even-numbered years the first reconvening of the regular session as provided in the joint resolution setting the date for reconvening.
  - (2) "Adjourns" means:
    - a. For odd-numbered years the date the General Assembly adjourns by joint resolution for a period of more than 30 days.
    - b. For even-numbered years the date of sine die adjournment.

(f2) If the transaction is approved under subsection (f) of this section, but the agreement provides a later effective date, then it takes effect on the date specified in the agreement.

(f3) Nothing in subsection (f) of this section restricts the General Assembly from enacting a law specifically approving the transaction.

(g) If the General Assembly ratifies a disapproving bill, the disapproved transaction shall not be effective unless it is vetoed by the Governor and the veto is not overridden, and in such case the transaction is effective upon sine die adjournment of that regular session.

The terms of any agreement to transfer an interest in real property under this section are deemed to incorporate the provisions of subsections (f) through (f2) of this section, and any transaction that does not comply with these subsections is void.

(h) Any lease or rental entered into pursuant to this section shall be subject to the requirements and limitations of G.S. 146-29. (1985, c. 479, s. 172(a); 1985 (Reg. Sess., 1986), c. 1014, s. 188(a); 1993, c. 561, s. 32(c); 1999-252, s. 2; 2013-360, s. 36.8(a); 2016-94, s. 37.7(c); 2023-134, s. 27.10(h).)

### **§ 146-29.2. Lease or interest in real property for communication purposes.**

- (a) The following definitions apply in this section:
  - (1) Antenna. – Communications equipment that transmits, receives, or transmits and receives electromagnetic radio signals used in the provision of all types of wireless communications services.
  - (1a) Applicable codes. – The North Carolina State Building Code and any other uniform building, fire, electrical, plumbing, or mechanical codes adopted by a recognized national code organization together with amendments to those codes enacted to address imminent threats of destruction of property or injury to persons.
  - (1b) Broadband. – Internet access service with transmission speeds that are equal to or greater than the requirements for basic broadband tier 1 service as defined by the Federal Communications Commission for broadband data gathering and reporting, regardless of the technology or medium used to provide the service.
  - (2) Buildings. – Structures owned or leased by the State on which equipment may be placed or attached.

- (3) Collocation. – The placement or installation of wireless or broadband facilities on existing structures, including electrical transmission towers, water towers, buildings, and other structures capable of structurally supporting the attachment of wireless or broadband facilities in compliance with applicable codes.
  - (4) Equipment. – Antennas, transmitters, receivers, cables, wires, transformers, power supplies, electric and communication lines necessary for the provision of television broadcast signals, radio wave signals, wireless data or wireless telecommunication services, or broadband to a discrete geographic area, and all other apparatuses and appurtenances, including shelters, cabinets, buildings, platforms, and ice bridges used to house or otherwise protect equipment.
  - (5) Ground area. – The area of real property surrounding the base of towers on which the equipment and appurtenances necessary for the operation and stability of the towers, including guy wires and security fencing, are constructed or installed.
  - (6) Provider. – Any person that is engaged in the transmission, reception, or dissemination of television broadcast signals, radio wave signals, or electromagnetic radio signals used in the provision of wireless communications service, or the provisioning of wireless infrastructure. The term also includes any person engaged in the provision of broadband.
  - (7) Tower. – New or existing structures, such as a monopole, lattice tower, guyed tower, fire observation tower or water tower that are designed to support or are capable of supporting equipment used in the transmission or receipt of television broadcast signals, radio wave signals, or electromagnetic radio signals used in the provision of wireless communication service.
- (b) The State may lease real property, or may grant an easement or license with an interest in real property for the following communication purposes:
- (1) Constructing, installing, and operating towers and equipment on State land.
  - (2) Installing and operating equipment on towers, buildings, or ground area owned or leased by the State.
- (b1) **(Effective until January 1, 2025)** The State shall allow the collocation, installation, and operation of equipment by a broadband provider on any existing structure owned by the State and shall lease real property, or grant an easement or license with an interest in real property, for the purposes of construction and placement of broadband infrastructure on State land. A disposition entered into pursuant to this subsection is voidable by the Governor and Council of State for specific reasons or causes that shall be cited. A determination for a disposition under this subsection shall be made subject to the following:
- (1) For new requests, the Department of Administration shall prepare and finalize the lease agreement within four months of the receipt of the lease application by the controlling agency. An agency controlling the subject property shall coordinate with the Department in preparing the complete application package for the lease request. If, after four months have elapsed since the controlling agency received the lease application, the lease agreement has not been finalized, the Department shall enter into a lease agreement with the applicant according to the terms submitted in the application.
  - (2) For renewals, the Department of Administration shall prepare and finalize the lease agreement within two months of receiving the application. If the

Department is unable to finalize the renewed lease at least two months prior to the termination of the current lease, then the terms of the current lease shall continue until the lease is finalized.

- (3) The Department of Administration shall coordinate with the Department of Information Technology to develop a streamlined lease development process using state-of-the-art technology, including video conferencing, to facilitate and expedite process completion. All State agencies shall cooperate with and participate in the streamlined lease development process to ensure that finalized lease agreement is prepared and finalized within the time frames required under this subsection.

(b1) **(Effective January 1, 2025)** The State shall allow the collocation, installation, and operation of equipment by a broadband provider on any existing structure owned by the State and shall lease real property, or grant an easement or license with an interest in real property, for the purposes of construction and placement of broadband infrastructure on State land. A disposition entered into pursuant to this subsection is voidable by the Governor and Council of State for specific reasons or causes that shall be cited.

(c) New towers constructed on State land shall be designed for collocation. The State shall sublease for collocation purposes space on any tower or ground area leased by the State, if allowed under the terms of the lease. The State shall adopt standard terms and conditions for applications to lease, easements, or other conveyances of an interest in real property for communication purposes and the deployment of broadband.

(d) Pursuant to G.S. 143-341(4)f., the Governor, acting with the approval of the Council of State, may adopt rules authorizing the Department of Administration to enter into or approve classes of leases, easements, or licenses with an interest in real property for the purposes set forth in this section. The rules may allow for execution of leases or other instruments by the Department of Administration rather than execution of the instruments in the manner prescribed in G.S. 146-74 through G.S. 146-78.

(e) Land in the State Parks System, as defined in G.S. 143B-135.44, may only be leased or conveyed for the purposes of this section upon the approval of the Secretary of the Department of Natural and Cultural Resources. Lease or conveyance of land in the State Parks System for the purposes of this section shall comply with the requirements of Parts 31 and 32 of Article 7 [Article 2] of Chapter 143B of the General Statutes. When selecting a location for a communications tower or antenna in the State Parks System, the State shall choose a location that minimizes the visual impact on the surrounding landscape. No land acquired or developed using funds from the Federal Land and Water Conservation Fund shall be leased or conveyed for the purposes of this section.

(f) City and county ordinances apply to communications towers and antennas authorized under this section. (1998-158, s. 3; 2013-185, s. 3; 2015-241, s. 14.30(nnn); 2018-5, s. 37.1(f); 2020-81, s. 8(a).)

#### **§ 146-30. Application of net proceeds.**

(a) The net proceeds of any disposition made in accordance with this Subchapter shall be handled in accordance with the following priority:

- (1) First, in accordance with the provisions of any trust or other instrument of title whereby title to real property was acquired.
- (2) Second, as provided by any other act of the General Assembly.

- (3) Third, by depositing the net proceeds in accordance with Article 6A of Chapter 147 of the General Statutes.

Nothing in this section, however, prohibits the disposition of any State lands by exchange for other lands, but if the appraised value in fee simple of any property involved in the exchange is at least twenty-five thousand dollars (\$25,000), then the exchange shall not be made without consultation with the Joint Legislative Commission on Governmental Operations.

(a1) Expired January 1, 2016, pursuant to Session Laws 2011-373, s. 2.

(b) For the purposes of this Subchapter, the term "net proceeds" means the gross amount received from the sale, lease, rental, or other disposition of any State lands, less all of the following:

- (1) Expenses incurred incident to that sale, lease, rental, or other disposition that are allowed under rules adopted by the Governor and approved by the Council of State.
- (2) Repealed by Session Laws 1993, c. 553, s. 52.2.
- (3) A service charge to be paid into the State Land Fund.

(b1), (b2), (b3), (b4) Recodified.

(c) The amount or rate of the service charge described in subsection (b) of this section shall be fixed by rules adopted by the Governor and approved by the Council of State, but as to any particular sale, lease, rental, or other disposition, it shall not exceed ten percent (10%) of the gross amount received from the sale, lease, rental, or other disposition.

(d) Notwithstanding any other provision of this Subchapter, the following exceptions apply:

- (1) No service charge into the State Land Fund shall be deducted from or levied against the proceeds of any disposition by lease, rental, or easement of State lands that are designated as part of the Centennial Campus as defined by G.S. 116-198.33(4), that are designated as part of the Horace Williams Campus as defined by G.S. 116-198.33(4a), or that are designated as part of a Millennial Campus as defined by G.S. 116-198.33(4b). All net proceeds of those dispositions are governed by G.S. 116-36.5.
- (2) No service charge into the State Land Fund shall be deducted from or levied against the proceeds of any disposition by lease, rental, or easement of State lands purchased and owned by the North Carolina State Highway Patrol, Department of Public Safety, as part of the Voice Interoperability Plan for Emergency Responders (VIPER) project being managed by the North Carolina State Highway Patrol, Department of Public Safety. All net proceeds of these dispositions shall be deposited into an account created in the Department of Public Safety to be used only for the purpose of constructing, maintaining, or supporting the VIPER network.
- (3) No service charge into the State Land Fund shall be deducted from or levied against the proceeds of any disposition by lease, rental, or easement of State lands or structures for the collocation, installation, or operation of equipment by a broadband provider on an existing structure owned by the State in accordance with G.S. 146-29.2. The agency that owns the land or structure subject to the lease, rental, or easement may retain an amount not to exceed four percent (4%) of the amount of the lease, rental, or easement. All net proceeds of those dispositions, after the amount retained by the agency, shall be deposited in the

Growing Rural Economies with Access to Technology Fund established pursuant to subsection (b) of G.S. 143B-1373.

- (4) Repealed by Session Laws 2022-68, s. 15(a), effective July 8, 2022.
- (5) The net proceeds derived from the sale of land or products of land owned by or under the supervision and control of the Wildlife Resources Commission, or acquired or purchased with funds of that Commission, shall be paid into the Wildlife Resources Fund.
- (6) The following provisions apply with respect to land owned by or under the supervision and control of the Department of Agriculture and Consumer Services:
  - a. The net proceeds derived from the sale of land shall be deposited in a capital improvement account to the credit of the Department of Agriculture and Consumer Services, to be used for such specific capital improvement projects or other purposes as are provided by transfer of funds from those accounts in an act of the General Assembly.
  - b. The net proceeds derived from the sale of timber and other products of land shall be deposited in accounts to the credit of the Department of Agriculture and Consumer Services to be used for operational expenses of the Department incurred for restoration and stewardship of the land.
  - c. Except as otherwise specifically provided by law, the Department of Agriculture and Consumer Services is subject to Article 6A of Chapter 147 of the General Statutes with respect to net proceeds required to be deposited as provided in this subdivision.
- (7) The net proceeds derived from the sale of park land owned by or under the supervision and control of the Department of Natural and Cultural Resources shall be deposited in a capital improvement account to the credit of the Department of Administration to be used for the purpose of park land acquisition as provided by transfer of funds from those accounts in the Capital Improvement Appropriations Act. In the Capital Improvement Appropriations Act, line items for purchase of park and agricultural lands will be established for use by the Departments of Administration and Agriculture. The use of these funds for any specific capital improvement project or land acquisition is subject to approval by the Director of the Budget. No other use shall be made of funds in these line items without approval by the General Assembly except for incidental expenses related to the project or land acquisition. Additionally, with the approval of the Director of the Budget, either Department may request funds from the Contingency and Emergency Fund when the necessity of prompt purchase of available land can be demonstrated and funds in the capital improvement accounts are insufficient. Except as otherwise specifically provided by law, the Department of Administration is subject to Article 6A of Chapter 147 of the General Statutes with respect to net proceeds required to be deposited as provided in this subdivision.
- (8) The net proceeds derived from the sale of any portion of the land owned by the State in the Camp Butner reservation shall be deposited in a capital improvement account to the credit of the Department of Health and Human Services to make capital improvements on or to property owned by the State in

the Camp Butner reservation subject to approval by the Office of State Budget and Management. The net proceeds derived from the sale of timber from land owned by the State in the Camp Butner reservation shall be deposited in a capital improvement account to the credit of the Department of Public Safety to be used to support the North Carolina National Guard's Camp Butner Training Center and other North Carolina National Guard-operated Training Centers. The definition of "Camp Butner reservation" in G.S. 122C-3 applies to this subdivision. Except as otherwise specifically provided by law, the following provisions apply with respect to net proceeds required to be deposited as provided in this subdivision:

- a. The Department of Health and Human Services is subject to Article 6A of Chapter 147 of the General Statutes with respect to net proceeds that must be deposited to the credit of the Department of Health and Human Services.
  - b. The Department of Public Safety is subject to Article 6A of Chapter 147 of the General Statutes with respect to net proceeds that must be deposited to the credit of the Department of Public Safety.
- (9) The net proceeds derived from the lease dispositions of land or facilities owned or under the supervision and control of East Carolina University's Division of Health Sciences for the delivery of health care services shall be deposited in clinical accounts at East Carolina University to be used to improve access to patient care.
  - (10) The net proceeds derived from the sale or lease of land, facilities, products, or timber owned by the Department of Transportation or owned by the State and solely maintained by the Department of Transportation shall be deposited into the State Highway Fund.
  - (11) Except as otherwise provided in this subsection, the net proceeds derived from the sale of real property donated to the State and allocated to the Division of State Historic Sites or the Division of State History Museums in the Department of Natural and Cultural Resources shall be deposited in the State Historic Sites and Museums Fund, created in G.S. 121-7.7, and shall be used in accordance with that section.
  - (12) The net proceeds derived from the sale of real property donated to the State and allocated to the Tryon Palace Historic Site and Gardens in the Department of Natural and Cultural Resources shall be deposited in the Tryon Palace Historic Sites and Gardens Fund, created in G.S. 121-21.1, and shall be used in accordance with that section.
  - (13) The net proceeds derived from the sale of real property from the Bentonville Battlefield State Historic Site donated to the State and allocated to the Division of State Historic Sites in the Department of Natural and Cultural Resources shall be deposited in the Bentonville Battlefield Fund, created in G.S. 121-7.5, and shall be used in accordance with that section.
  - (14) The net proceeds derived from the sale of real property from the North Carolina Transportation Museum donated to the State and allocated to the Department of Natural and Cultural Resources shall be deposited in the North Carolina

- Transportation Museum Fund, created in G.S. 121-7.6, and shall be used in accordance with that section.
- (15) The net proceeds derived from the sale or lease of land or facilities owned by the Department of Public Safety or owned by the State and solely maintained by the Department of Public Safety shall be deposited in a capital improvement account to the credit of the Department of Public Safety to make capital improvements on or to property owned by the Department of Public Safety or owned by the State and solely maintained by the Department of Public Safety. Expenditures from this capital account shall be subject to approval by the Office of State Budget and Management.
- (16) **(Effective once contingency met – see note)** The net proceeds derived from the sale or lease of land or facilities owned by the Department of Adult Correction or owned by the State and solely maintained by the Department of Adult Correction shall be deposited in a capital improvement fund to the credit of the Department of Adult Correction to make capital improvements on or to property owned by the Department of Adult Correction or owned by the State and solely maintained by the Department of Adult Correction. Expenditures from this capital fund shall be subject to approval by the Office of State Budget and Management.
- (17) The net proceeds derived from the sale of real property from the Tobacco Farm Life Museum donated to the State and allocated to the Department of Natural and Cultural Resources shall be deposited in the Tobacco Farm Life Museum Fund, created in G.S. 121-7.8, and shall be used in accordance with that section. (1959, c. 683, s. 1; 1975, 2nd Sess., c. 983, s. 30; 1977, c. 771, s. 4; c. 1012; 1979, c. 608, s. 1; 1981, c. 859, s. 23.4; c. 1127, s. 33; 1981 (Reg. Sess., 1982), c. 1282, s. 24; 1983, c. 717, ss. 86, 86.1, 86.2, 87; c. 761, s. 166; 1983 (Reg. Sess., 1984), c. 1034, s. 164; c. 1116, s. 97(d); 1989, c. 727, s. 218(155); c. 799, s. 26; 1993, c. 321, s. 260.1; c. 553, s. 52.2; 1997-261, s. 109; 1997-443, s. 11A.119(a); 1998-159, s. 4; 1999-234, s. 8; 2000-140, s. 93.1(a); 2000-177, s. 9; 2001-424, s. 12.2(b); 2007-269, s. 12; 2009-376, s. 15; 2011-145, s. 19.1(g); 2011-373, ss. 1, 2; 2012-194, s. 67; 2015-241, s. 14.30(w); 2018-5, ss. 34.12(a), 37.1(g); 2019-199, s. 2(b), (c); 2020-69, s. 5.3(a), (b); 2021-180, ss. 10.4(a), 14.1(a), 19E.3, 41.60(a); 2022-68, s. 15(a); 2023-86, s. 8.5(a); 2023-89, s. 4; 2023-121, s. 6(a); 2023-134, s. 14.3(e).)

**§ 146-30.1. Application of net proceeds of disposition or use of real property allocated to the 4-H Camping Program.**

(a) **Limitation.** – Notwithstanding G.S. 146-30 or any other provision of law, and subject to the limitations contained in any applicable deed, the net proceeds of any disposition of, use of, or activity on real property allocated to the 4-H Camping Program shall be used solely for the operation of the 4-H Camping Program, for the acquisition of real property for the 4-H Camping Program, or for the funding of an endowment to support these purposes. These proceeds shall not be used to pay any debt or other financial obligation owed to a State agency that arose prior to the effective date of this section.

(b) **Definition of Net Proceeds.** – For purposes of this section, the term "net proceeds" shall have the same meaning as in G.S. 146-30.

(c) No Supplanting of General Fund Support. – It is the intent of the General Assembly that appropriations for the 4-H Camping Program not be reduced as a result of the realization of proceeds under this section. Instead, the General Assembly intends that the amount of appropriations be determined as if no proceeds had been realized under this section. The Director of the Budget shall not decrease the recommended continuation budget requirements for the 4-H Camping Program as a result of proceeds being realized under this section.

(d) Proceeds Must Be Appropriated. – Nothing in this section shall be construed to appropriate the proceeds described in this section. (2014-100, s. 11.7(b).)

### **§ 146-30.2. Calculation of net proceeds from the sale of State-owned real property located outside the State Capitol area.**

(a) Limitation. – Notwithstanding G.S. 146-30 or any other provision of law, net proceeds from the sale of State-owned real property that is located outside of the State Capitol area shall be calculated in accordance with this section.

(b) State Capitol Area. – For the purposes of this section, the term "State Capitol area" shall mean that area of land located in the City of Raleigh and situated within the following boundaries:

- (1) Peace Street on the north.
- (2) Capital Blvd./Dawson Street on the west.
- (3) Morgan Street on the south.
- (4) Person Street on the east.

(c) Calculation of Net Proceeds. – For the purposes of this section, the term "net proceeds" means the gross amount received from the sale of State-owned real property located outside of the State Capitol area, less the following:

- (1) Any expenses incurred incident to that sale as may be allowed under rules and regulations adopted by the Governor and approved by the Council of State.
- (2) A service charge to be paid into the State Land Fund, unless such service charge is prohibited by G.S. 146-30.
- (3) An amount equal to twelve and one-half percent (12.5%) of the gross amount received to be paid into the North Carolina Land and Water Fund established under G.S. 143B-135.234(a).
- (4) An amount equal to twelve and one-half percent (12.5%) of the gross amount received to be paid into the Parks and Recreation Trust Fund established under G.S. 143B-135.56(a).

(d) Application of Proceeds. – Except as otherwise provided in this section, net proceeds shall be handled in accordance with the provisions of G.S. 146-30.

(e) Exception. – This section shall not apply to proceeds derived from the sale of land or property originally purchased with, under the supervision and control of, or maintained with funds from the State Highway Fund, the Department of Agriculture and Consumer Services, the Wildlife Resources Commission, or proceeds derived from the disposition of residue property pursuant to G.S. 136-19.7. (2020-16, s. 2; 2021-180, s. 20.11(a); 2023-70, s. 9(f).)

## Article 8.

### Miscellaneous Provisions.

### **§ 146-31. Right of appeal to Governor and Council of State.**

The requesting agency, in the event of disagreement with a decision of the Department of Administration regarding the acquisition or disposition of land pursuant to the provisions of this

Subchapter, shall have the right of appeal to the Governor and Council of State. (1957, c. 584, s. 6; G.S., s. 146-113; 1959, c. 683, s. 1.)

**§ 146-32. Exemptions as to leases, etc.**

(a) The Governor, acting with the approval of the Council of State, may adopt rules and regulations:

- (1) Exempting from any or all of the requirements of this Subchapter such classes of lease, rental, easement, and right-of-way transactions as he deems advisable; and
- (2) Authorizing any State agency to enter into and/or approve those classes of transactions exempted by such rules and regulations from the requirements of this Chapter.
- (3) No rule or regulation adopted under this section may exempt from the provisions of G.S. 146-25.1 any class of lease or rental which has a duration of more than 21 days, unless the class of lease or rental:
  - a. Is a lease or rental necessitated by a fire, flood, or other disaster that forces the agency seeking the new lease or rental to cease use of real property;
  - b. Is a lease or rental necessitated because an agency had intended to move to new or renovated real property that was not completed when planned, but a lease or rental exempted under this subparagraph may not be for a period of more than six months; or
  - c. Is a lease or rental which requires a unique location or a location that adjoins or is in close proximity to an existing rental location.

(b) No rule or regulation adopted pursuant to subsection (a) of this section may exempt any lease from the provisions of G.S. 146-25(b) or G.S. 146-29(b) or (c). (1959, c. 683, s. 1; 1983 (Reg. Sess., 1984), c. 1116, s. 97; 1985, c. 479, s. 173; 1999-252, s. 3; 1999-456, s. 38; 2016-94, s. 37.7(e).)

**§ 146-33. State agencies to locate and mark boundaries of lands.**

Every State agency shall locate and identify, and shall mark and keep marked, the boundaries of all lands allocated to that agency or under its control. The Department of Administration shall locate and identify, and mark and keep marked, the boundaries of all State lands not allocated to or under the control of any other State agency. The chief administrative officer of every State agency is authorized to contract with the Division of Prisons of the Department of Adult Correction for the furnishing, upon such conditions as may be agreed upon from time to time between the Division of Prisons of the Department of Adult Correction and the chief administrative officer of that agency, of prison labor for use where feasible in the performance of these duties. (1957, c. 584, s. 2; G.S., s. 143-145.1; 1959, c. 683, s. 1; 1967, c. 996, s. 13; 2011-145, s. 19.1(h); 2012-83, s. 57; 2017-186, s. 2(rrrrrr); 2021-180, s. 19C.9(p).)

**§ 146-34. Agencies may establish agreed boundaries.**

Every State agency may establish agreed boundaries between lands allocated to it or under its control, and the lands of any other owner, subject to the approval of the Governor and Council of State. The Department of Administration is authorized to establish agreed boundaries between State lands not allocated to or under the control of any other State agency and the lands of any other

owner, subject to the approval of the Governor and Council of State. The Attorney General shall represent the State in all proceedings to establish boundaries which cannot be established by agreement. (1957, c. 584, s. 3; G.S., s. 143-145.2; 1959, c. 683, s. 1.)

**§ 146-35. Severance approval delegation.**

The Governor, acting with the approval of the Council of State, may adopt rules and regulations delegating to any other State agency the authority to approve the severance of buildings and standing timber from State lands. Upon such approval of severance, the buildings or timber affected shall be, for the purposes of this Chapter, treated as personal property. (1959, c. 683, s. 1.)

**§ 146-36. Acquisitions for and conveyances to federal government.**

The Governor and Council of State may, whenever they find that it is in the best interest of the State to do so, enter into any contract or other agreement which will be sufficient to comply with federal laws or regulations, binding the State to acquire for and to convey to the United States government land or any interest in land, and to do such other acts and things as may be necessary for such compliance.

The Governor and Council of State may authorize any conveyance to the United States government to be made upon nominal consideration whenever they deem it to be in the best interest of the State to do so. (1959, c. 683, s. 1.)

**SUBCHAPTER III. ENTRIES AND GRANTS.**

Article 9.

General Provisions.

**§ 146-37. Intent of Subchapter.**

It is the purpose and intent of this Subchapter to protect vested rights, titles, and interests acquired under the laws governing entries and grants as they read immediately prior to June 2, 1959. (1959, c. 683, s. 1.)

**§ 146-38. Pending entries.**

All entries which have been filed with entry-takers within one year prior to June 2, 1959, or filed more than one year prior to June 2, 1959, but still pending due to the filing of protest to the entry, shall be processed pursuant to the provisions of Chapter 146 of the General Statutes as it read immediately prior to June 2, 1959. Every such entry shall be paid for within one year from the date of entry, unless a protest be filed to the entry, in which event it shall be paid for within one year after final judgment on the protest; and all entries not thus paid for shall become null and void, and shall not be subject to renewal. It shall be the duty of both the enterer and protestant to conclude, within 12 months from June 2, 1959, all actions wherein a protest has been filed, and such cases shall be given preference on the dockets of the courts of the State. Any action not so concluded shall be deemed a lapse as to enterer and protestant. It is not the intent of this proviso to void any previous grant of the State of North Carolina, or to divest any vested right, but to terminate all rights accrued on account of an entry wherein no grant has been made. Provided that the resident judge of the superior court or the judge holding the superior courts of the district where the land lies, may, for good cause shown, extend the time within which an action in which a protest has been filed is required by this section to be concluded; but no single extension shall exceed one year in duration. A copy of this section shall be mailed by the Secretary of State to all parties to actions wherein

protests have been filed as may be determined by records available in his office, and to all clerks of the superior court of the State. (1959, c. 683, s. 1.)

**§ 146-39. Void grants; not color of title.**

Every entry made and every grant issued for any lands not authorized by G.S. 146-1 through 146-77, as those sections read immediately prior to June 2, 1959, to be entered or granted shall be void.

Every grant of land issued since March 6, 1893, in pursuance of the statutes regulating entries and grants, shall, if such land or any portion thereof has been heretofore granted by this State, so far as relates to any such land heretofore granted, be absolutely void for all purposes whatever, shall confer no rights upon the grantee therein or those claiming under such grantee, and shall in no case and under no circumstances constitute any color of title to any person. (R.C., c. 42, s. 2; Code, s. 2755; 1893, c. 490; Rev., s. 1699; C.S., s. 7545; G.S., s. 146-13; 1959, c. 683, s. 1.)

Article 10.

Surveys.

**§ 146-40. Record of surveys to be kept.**

The county commissioners of the several counties of the State shall provide a suitable book or books for recording of surveys of entries of land, to be known as Record of Surveys, to be kept in the office of register of deeds as other records are kept. Such record shall have an alphabetical and numerical index, the numerical index to run consecutively. It shall be the duty of every county surveyor or his deputy surveyor who makes a survey to record in such book a perfect and complete record of all surveys of lands made upon any warrant issued upon any entry, and date and sign same as of the date such survey was made. (1905, c. 242; Rev., s. 1722; C.S., s. 7570; G.S., s. 146-39; 1959, c. 683, s. 1.)

**§ 146-41. Former surveys recorded.**

Where any ex-surveyor of a county is alive and has correct minutes or notes of surveys of land on entries made by him during his term of office, it shall be lawful for him to record and index such survey in the Record of Surveys, and the county commissioners shall pay for such services ten cents (10¢) for each survey so recorded and indexed. (1905, c. 242, s. 2; Rev., s. 1725; C.S., s. 7571; G.S., s. 146-40; 1959, c. 683, s. 1.)

**§ 146-42. What record must show; received as evidence.**

All surveys so recorded in such book shall show the number of the tract of land, the name of the party entering, and the name of the assignee if there be any assignee; and shall be duly indexed, both alphabetically and numerically, in such record in the name of the party making the entry and in the name of the assignee if there be any assignee. Such record of any surveyor or deputy surveyor when so made shall be read in evidence in any action or proceeding in any court: Provided that if such record differs from the original certificates of survey heretofore made or on file in the office of the Secretary of State, such original or certified copy of the certificate in the Secretary of State's office shall control. (1905, c. 242, ss. 2, 3, 6; Rev., s. 1723; C.S., s. 7572; G.S., s. 146-41; 1959, c. 683, s. 1.)

Article 11.

Grants.

**§ 146-43. Cutting timber on land before obtaining a grant.**

If any person shall make an entry of any lands, and before perfecting title to same shall enter upon such lands and cut therefrom any wood, trees, or timber, he shall be guilty of a Class 1 misdemeanor. Any person found guilty under the provisions of this section shall further pay to the State double the value of the wood, trees, or timber taken from the land, and it shall be the duty of the solicitor of the district in which the land lies to sue for the same. (1903, c. 272, s. 4; Rev., s. 3741; C.S., s. 7582; G.S., s. 146-51; 1959, c. 683, s. 1; 1993, c. 539, s. 1052; 1994, Ex. Sess., c. 24, s. 14(c).)

**§ 146-44. Card index system for grants.**

The Secretary of State shall install in his office a card index system for grants, and every warrant, plot, and survey that can be found shall be encased in separate envelopes. Each card and envelope shall show substantially the following:

	County	Acres
Name		
Grant No.	Issued	
Grant Book	Page	
Entry No.	Entered	
File No.		
Location		
Remarks		

Such grant books as are old and falling to pieces shall be recopied, and whenever any part of the record of a grant is partly gone or destroyed the Secretary of State shall restore same, if he can do so with accuracy from the description in the plot and survey upon which the grant was issued and original record made. (1909, c. 505, ss. 1, 2, 3; C.S., s. 7584; G.S., s. 146-53; 1959, c. 683, s. 1.)

**§ 146-45. Grant of Moore's Creek Battlefield authorized.**

In conjunction with an act of Congress relating to the establishment of the Moore's Creek National Military Park (June 2, 1926, c. 448, s. 2, 44 Stat. 684; U. S. Code, Title 16, ss. 422-422(d)), the Governor of the State of North Carolina is hereby authorized to execute to the United States government a deed vesting the title to Moore's Creek Battlefield, Pender County, in said United States government on behalf of the State of North Carolina, to preserve the same as an historical battlefield: Provided that the consent of the State of North Carolina to such acquisition by the United States is upon the express condition that the State of North Carolina shall so far retain a concurrent jurisdiction with the United States over such battlefield as that all civil and criminal processes issued from the courts of the State of North Carolina may be executed thereon in like manner as if this authority had not been given: Provided further, that the title to said battlefield so conveyed to the United States shall revert to the State of North Carolina unless said land is used for the purpose for which it is ceded. (1925, c. 40; 1927, c. 56; G.S., s. 146-54; 1959, c. 683, s. 1.)

Article 12.

Correction of Grants.

**§ 146-46. When grants may issue.**

In any case where, under the provisions of this Subchapter, the Secretary of State is authorized to issue a grant or a duplicate grant to correct an error in a prior grant, the grant of correction shall be authenticated by the Governor, countersigned by the Secretary of State, and recorded in the office of the Secretary of State. The date of the entry and the number of the survey from the certificate of survey upon which the grant is founded shall be inserted in every such grant, and a copy of the plot shall be attached to the grant. (1777, c. 114, s. 10, P.R.; 1783, c. 185, s. 14, P.R.; 1796, c. 455, P.R.; 1799, c. 525, s. 2, P.R.; R.C., c. 42, ss. 12, 22; Code, ss. 2769, 2779; 1889, c. 522; Rev., ss. 1729, 1734, 1735; C.S., s. 7578; G.S., s. 146-47; 1959, c. 683, s. 1.)

**§ 146-47. Change of county line before grant issued or registered.**

All grants issued on entries for lands which were entered in one county, and before the issuing of the grants therefor or the registration of the grants, by the change of former county lines or the establishment of new lines, the lands so entered were placed in a county or in counties different from that in which they were situated, and the grants were registered in the county where the entries were made, shall be good and valid, and the registration of the grant shall have the same force and effect as if they had been registered in the county where the lands were situated. All persons claiming under and by such grants may have them, or a certified copy of the same, from the office of the Secretary of State, or from the office of the register of deeds when they had been erroneously registered, recorded in the office of the register of deeds of the county or counties where the lands lie, and such registration shall have the same force and effect as if the grants had been duly registered in such county or counties. (1897, c. 37; Rev., s. 1736; C.S., s. 7585; G.S., s. 146-55; 1959, c. 683, s. 1.)

**§ 146-48. Entries in wrong county.**

Whereas many citizens of the State, on making entries of lands near the lines of the county wherein they reside, either for want of proper knowledge of the land laws of the State or not knowing the county lines, have frequently made entries and extended their surveys on such entries into other counties than those wherein they were made, and obtained grants on the same; and whereas doubts have existed with respect to the validity of the titles to lands situated as aforesaid, so far as they extend into other counties than those where the entries were made; for remedy whereof it is hereby declared that all grants issued on entries made for lands situated as aforesaid shall be good and valid against any entries thereafter made or grants issued thereon. (1805, c. 675, P.R.; 1834, c. 17; R.C., c. 42, s. 27; Code, s. 2784; Rev., s. 1737; C.S., s. 7586; G.S., s. 146-56; 1959, c. 683, s. 1.)

**§ 146-49. Errors in surveys of plots corrected.**

Whenever there may be an error by the surveyor in plotting or making out the certificate for the Secretary's office, or whenever the Secretary shall make a mistake in making out the courses agreeable to such returns, or misname the claimant, or make other mistake, so that such claimant shall be injured thereby, the claimant may prefer a petition to the superior court of the county in which the land lies, setting forth the injury which he might sustain in consequence of such error or mistake, with all the matters and things relative thereto. The court may hear testimony respecting the truth of the allegations set forth in the petition; and if it shall appear by the testimony, from the return of the surveyor or the error of the Secretary, that the patentee is liable to be injured thereby, the court shall direct the clerk to certify the facts to the Secretary of State, who shall file the same in his office, and correct the error in the patent, and likewise in the records of his office. The costs of

such suit shall be paid by the petitioner, except when any person may have made himself a party to prevent the prayer of the petitioner being granted, in which case the costs shall be paid as the court may decree. The benefits granted by this section to the patentees of land shall be extended in all cases to persons claiming by, from, or under their grants, by descent, devise, or purchase. When any error is ordered to be rectified, and the same has been carried through from the grant into mesne conveyances, the court shall direct a copy of the order to be recorded in the register's book of the county: Provided no such petition shall be brought but within three years after the date of the patent; and if brought after that time, the court shall dismiss the same, and all proceedings had thereon shall be null and of no effect: Provided further, nothing herein shall affect the rights or interest of any person claiming under a patent issued between the period of the date of the grant alleged to be erroneous and the time of filing the petition, unless such person shall have had due notice of the filing of the petition, by service of a copy thereof, and an opportunity of defending his rights before the court according to the course of the common law. (1790, c. 326, P.R.; 1798, c. 504, P.R.; 1804, c. 655, P.R.; 1814, c. 876, P.R.; R.C., c. 42, s. 28; Code, s. 2785; Rev., s. 1738; C.S., s. 7587; G.S., s. 146-57; 1959, c. 683, s. 1.)

#### **§ 146-50. Resurvey of lands to correct grants.**

Persons who have entered vacant lands shall not be defeated in their just claims by mistakes or errors in the surveys and plots furnished by surveyors. In every case where the purchase money has been paid into the State treasury within the time prescribed by law after entry, and the survey or plot furnished shall be found to be defective or erroneous, the party having thus made entry and paid the purchase price may obtain another warrant of survey from the register of deeds of the county where the land lies, and have his entry surveyed as is directed by existing laws. On presenting a certificate of survey and two fair plots thereof to the Secretary of State within six months after the payment of the purchase money, the party making such entry and paying such purchase price shall be entitled to receive, and it shall be the duty of the Secretary of State to issue to him, the proper grant for the lands so entered. (1901, c. 734; Rev., s. 1739; C.S., s. 7588; G.S., s. 146-58; 1959, c. 683, s. 1.)

#### **§ 146-51. Lost seal replaced.**

In all cases where the seal annexed to a grant is lost or destroyed, the Governor may, on the certificate of the Secretary of State that the grant was fairly obtained, cause the seal of the State to be affixed thereto. (1807, c. 727, P.R.; R.C., c. 42, s. 24; Code, s. 2781; Rev., s. 1740; C.S., s. 7589; G.S., s. 146-59; 1959, c. 683, s. 1.)

#### **§ 146-52. Errors in grants corrected.**

If in issuing any grant the number of the grant or the name of the grantee or any material words or figures suggested by the context have been omitted or not correctly written or given, or the description in the body of the grant does not correspond with the plot and description in the surveyor's certificate attached to the grant, or if in recording the grant in his office the Secretary of State has heretofore made or may hereafter make any mistake or omission by which any part of any grant has not been correctly recorded, the Secretary of State shall, upon the application of any party interested and the payment to him of his lawful fees, correct the original grant by inserting in the proper place the words, figures, or names omitted or not correctly given or suggested by the context; or if the description in the grant does not correspond with the surveyor's plot or certificate, the Secretary of State shall make the former correspond with the latter as the true facts may require. In case the party interested shall prefer it, the Secretary of State shall issue a duplicate of the

original grant, including therein the corrections made; and in those cases in which grants have not been correctly recorded, he shall make the proper corrections upon his records, or by rerecording, as he may prefer; and any grant corrected as aforesaid may be recorded in any county of the State as other grants are recorded, and have relation to the time of the entry and date of the grant as in other cases. (1889, c. 460; Rev., s. 1741; C.S., s. 7590; G.S., s. 146-60; 1959, c. 683, s. 1.)

**§ 146-53. Irregular entries validated.**

Wherever persons have, prior to January 1, 1883, irregularly entered lands and have paid the fees required by law to the Secretary of State, and have obtained grants for such lands duly executed, the title to the lands shall not be affected by reason of such irregular entries; and the grants are hereby declared to be as valid as if such entries had been properly made. (1868-9, c. 100, s. 4; c. 173, s. 6; 1874-5, c. 48; Code, s. 2761; Rev., s. 1743; C.S., s. 7591; G.S., s. 146-61; 1959, c. 683, s. 1.)

**§ 146-54. Grant signed by deputy Secretary of State validated.**

Where State grants have heretofore been issued and the name of the Secretary of State has been affixed thereto by his deputy or chief clerk, or by anyone purporting to act in such capacity, such grants are hereby declared valid; but nothing herein contained shall interfere with vested rights. (1905, c. 512; Rev., s. 1744; C.S., s. 7592; G.S., s. 146-62; 1959, c. 683, s. 1.)

**§ 146-55. Registration of grants.**

Every person obtaining a grant shall, within two years after such grant is perfected, cause the same to be registered in the county where the land lies; and any person may cause to be there registered any certified copy of a grant from the office of the Secretary of State, which shall have the same effect as if the original had been registered. (1783, c. 185, s. 14, P.R.; 1796, c. 455, P.R.; 1799, c. 525, s. 2, P.R.; R.S., c. 42, s. 24; R.C., c. 42, s. 22; Code, s. 2779; Rev., s. 1729; C.S., s. 7579; G.S., s. 146-48; 1959, c. 683, s. 1.)

**§ 146-56. Time for registering grants extended.**

All grants from the State of North Carolina of lands and interests in land heretofore made, which were required or allowed to be registered within a time specified by law, or in the grants themselves, may be registered in the counties in which the lands lie respectively at any time within six years from January 1, 1918, notwithstanding the fact that such specified time has already expired, and all such grants heretofore registered after the expiration of such specified time shall be taken and treated as if they had been registered within such specified time: Provided that nothing herein contained shall be held or have the effect to divest any rights, titles, or equities in or to the land covered by such grants, or any of them, acquired by any person from the State of North Carolina by or through any entry or grant made or issued since such grants were respectively issued, or those claiming through or under such subsequent entry or grant. (1893, c. 40; 1901, c. 175; 1905, c. 6; Rev., s. 1747; 1907, c. 805; 1909, c. 167; 1911, c. 182; Ex. Sess. 1913, cc. 27, 45; 1915, c. 170; 1917, c. 84; C.S., s. 7593; Ex. Sess. 1920, c. 78; 1921, c. 153; G.S., s. 146-63; 1959, c. 683, s. 1.)

**§ 146-57. Time for registering grants and other instruments extended.**

The time is hereby extended until September 1, 1926, for the proving and registering of all deeds of gift, grants from the State, or other instruments of writing heretofore executed and which

are permitted or required by law to be registered, and which were or are required to be proved and registered within a limited time from the date of their execution; and all such instruments which have heretofore been or may be probated and registered before the expiration of the period herein limited shall be held and deemed, from and after the date of such registration, to have been probated and registered in due time, if proved in due form, and registration thereof be in other respects valid: Provided that nothing in this section shall be held or deemed to validate or attempt to validate or give effect to any informal instrument; and provided further that this section shall not affect pending litigation: Provided further that nothing herein contained shall be held deemed to place any limitation upon the time allowed for the registration of any instrument where no such limit is now fixed by law. (Ex. Sess. 1924, c. 20; G.S., s. 146-64; 1959, c. 683, s. 1.)

**§ 146-58. Time for registering grants further extended.**

The time for the registration of grants issued by the State of North Carolina is hereby extended for a period of two years from January 1, 1925: Provided that nothing herein contained shall be held or have the effect to divest any rights, titles, or equities in or to the land covered by such grants, or any of them, acquired by any person from the State of North Carolina by or through any entry or grant made or issued since such grants were respectively issued, or those claiming through or under such subsequent entry or grant. (1925, c. 97; G.S., s. 146-65; 1959, c. 683, s. 1.)

**§ 146-59. Time for registering grants or copies extended.**

The time for the registration of grants issued by the State of North Carolina, or copies of such grants duly certified by the Secretary of State under his official seal, be and the same hereby is extended for a period of two years from January 1, 1927, and such grants or copies thereof duly certified as above set forth may be registered within such time as fully as the original might have been registered at any time heretofore: Provided that nothing herein contained shall be held or have the effect to divest any rights, titles, or equities in or to the land covered by such grants or any of them, acquired by any person from the State of North Carolina by or through any entry or grant made or issued since such grants were respectively issued, or those claiming through or under such subsequent entry or grant. (1927, c. 140; G.S., s. 146-66; 1959, c. 683, s. 1.)

**§ 146-60. Further extension of time for registering grants or copies for two years from January 1, 1947.**

The time for the registration of grants issued by the State of North Carolina, or copies of such grants duly certified by the Secretary of State under his official seal, be and the same hereby is extended for a period of two years from January 1, 1947, next ensuing, and such grants or copies thereof duly certified as above set forth may be registered within such time as fully as the original might have been registered at any time heretofore: Provided that nothing herein contained shall be held or have the effect to divest any rights, titles, or equities in or to the land covered by such grants or any of them acquired by any person from the State of North Carolina by or through any entry or grant made or issued since such grants were respectively issued, or those claiming through or under such subsequent entry or grant. (1947, c. 99; G.S., s. 146-66.1; 1959, c. 683, s. 1.)

**§ 146-60.1. Further extension of time for registering grants or copies for four years from January 1, 1977.**

The time for the registration of grants issued by the State of North Carolina, or copies of such grants duly certified by the Secretary of State under his official seal, be and the same hereby is

extended for a period of four years from January 1, 1977, and such grants or copies thereof duly certified as above set forth may be registered within such time as fully as the original might have been registered at any time heretofore: Provided that nothing herein contained shall be held or have the effect to divest any rights, titles, or equities in or to the land covered by such grants or any of them acquired by any person from the State of North Carolina by or through any entry or grant made or issued since such grants were respectively issued, or those claiming through or under such subsequent entry or grant. (1977, c. 701.)

## Article 13.

### Grants Vacated.

#### **§ 146-61. Civil action to vacate grant.**

When any person claiming title to lands under a grant or patent from the King of Great Britain, any of the lords proprietors of North Carolina, or from the State of North Carolina, shall consider himself aggrieved by any grant or patent issued or made since July 4, 1776, to any other person, against law or obtained by false suggestions, surprise, or fraud, the person aggrieved may bring a civil action in the superior court for the county in which such land may be, together with an authenticated copy of such grant or patent, briefly stating the grounds whereon such patent should be repealed and vacated, whereupon the grantee, patentee, or the person, owner, or claimant under such grant or patent, shall be required to show cause why the same shall not be repealed and vacated. (R.C., c. 42, s. 29; Code, s. 2786; Rev., s. 1748; C.S., s. 7594; G.S., s. 146-67; 1959, c. 683, s. 1.)

#### **§ 146-62. Judgment recorded in Secretary of State's office.**

If, upon verdict or demurrer, the court believe that the patent or grant was made against law or obtained by fraud, surprise, or upon untrue suggestions, it may vacate the same; and a copy of such judgment, after being recorded at large, shall be filed by the petitioner in the Secretary of State's office, where it shall be recorded in a book kept for that purpose; and the Secretary shall note in the margin of the original record of the grant the entry of the judgment, with a reference to the record in his office. (R.C., c. 42, s. 30; Code, s. 2787; Rev., s. 1749; C.S., s. 7595; G.S., s. 146-68; 1959, c. 683, s. 1.)

#### **§ 146-63. Action by State to vacate grants.**

An action may be brought by the Attorney General in the name of the State for the purpose of vacating or annulling letters patent granted by the State, in the following cases:

- (1) When he has reason to believe that such letters patent were obtained by means of some fraudulent suggestion or concealment of a material fact, made by the person to whom the same were issued or made, or with his consent or knowledge; or
- (2) When he has reason to believe that such letters patent were issued through mistake, or in ignorance of a material fact; or
- (3) When he has reason to believe that the patentee, or those claiming under him, have done or omitted an act in violation of the terms and conditions on which the letters patent were granted, or have by any other means forfeited the interest acquired under the same. (C. C. P., s. 367; Code, s. 2788; Rev., s. 1750; C.S., s. 7596; G.S., s. 146-69; 1959, c. 683, s. 1.)

## SUBCHAPTER IV. MISCELLANEOUS.

### Article 14.

#### General Provisions.

#### § 146-64. Definitions.

As used in this Chapter:

- (1) "Acquired lands" means all State lands, title to which has been acquired by the State or by any State agency by purchase, devise, gift, condemnation, or adverse possession.
- (2) "Escheated lands" means all State lands, title to which has been acquired by escheat.
- (3) "Land" means real property, buildings, space in buildings, timber rights, mineral rights, rights-of-way, easements, options, and all other rights, estates, and interests in real property.
- (4) "Navigable waters" means all waters which are navigable in fact.
- (5) "State agency" includes every agency, institution, board, commission, bureau, council, department, division, officer, and employee of the State, but does not include counties, municipal corporations, political subdivisions of the State, county or city boards of education, or other local public bodies. The term "State agency" does not include any private corporation created by act of the General Assembly. In case of doubt as to whether a particular agency, corporation, or institution is a State agency for the purposes of this Chapter, the Attorney General, upon request of the Governor and Council of State, shall make a determination of the issue. Upon a finding by the Attorney General that an agency, corporation, or institution is not a State agency for the purpose of this Chapter, the Governor and Council of State may execute a deed or other appropriate instrument releasing and quitclaiming all title and interest of the State in the lands of that agency, corporation, or institution.
- (6) "State lands" means all land and interests therein, title to which is vested in the State of North Carolina, or in any State agency, or in the State to the use of any agency, and specifically includes all vacant and unappropriated lands, swamplands, submerged lands, lands acquired by the State by virtue of being sold for taxes, escheated lands, and acquired lands.
- (7) "Submerged lands" means State lands which lie beneath
  - a. Any navigable waters within the boundaries of this State, or
  - b. The Atlantic Ocean to a distance of three geographical miles seaward from the coastline of this State.
- (8) "Swamplands" means lands too wet for cultivation except by drainage, and includes
  - a. All State lands which have been or are known as "swamp" or "marsh" lands, "pocosin bay," "briary bay" or "savanna," and which are a part of one swamp exceeding 2,000 acres in area, or which are a part of one swamp 2,000 acres or less in area which has been surveyed by the State; and
  - b. All State lands which are covered by the waters of any state-owned lake or pond.

- (9) "Vacant and unappropriated lands" means all State lands title to which is vested in the State as sovereign, and land acquired by the State by virtue of being sold for taxes, except swamplands.
- (10) For purposes of this Subchapter, "deep water" means the depth reasonably necessary to provide and allow reasonable access for all vessels traditionally used in the main watercourse area as of the time of the initial easement application. (1854-5, c. 21; R.C., c. 42, s. 1; Code, s. 2751; 1891, c. 302; Rev., ss. 1693, 1695; C.S., ss. 7540, 7542; G.S., ss. 146-1, 146-4; 1959, c. 683, s. 1; 1969, c. 1164; 1995, c. 529, s. 4; 2009-484, s. 10.)

**§ 146-65. Exemptions from Chapter.**

This Chapter does not apply to any of the following:

- (1) The acquisition of highway rights-of-way, borrow pits, or other interests or estates in land acquired for the same or similar purposes, or to the disposition thereof, by the Board of Transportation or the North Carolina Turnpike Authority.
- (2) The North Carolina State Ports Authority in exercising its powers under G.S. 136-260 through G.S. 136-275. (1957, c. 584, s. 6; G.S., s. 146-112; 1959, c. 683, s. 1; 1973, c. 507, s. 5; 1993, c. 553, s. 52.3; 2008-225, s. 10; 2011-145, s. 14.6(i).)

**§ 146-66. Voidability of transactions contrary to Chapter.**

Any sale, lease, rental, or other disposition of State lands or of any interest or right therein, made or entered into contrary to the provisions of this Chapter, shall be voidable in the discretion of the Governor and Council of State. (1957, c. 584, s. 6; G.S., s. 146-111; 1959, c. 683, s. 1.)

**§ 146-67. Governor to employ persons.**

The Governor may employ persons to perform such services as may be necessary to carry out the provisions of this Chapter, and he shall fix the compensation to be paid for such services. All expenditures for such services shall be paid from the State Land Fund on order of the Director of the Budget, or the officer designated by him to issue such orders. (1959, c. 683, s. 1.)

**§ 146-68. Statutes of limitation.**

The provisions of G.S. 1-35, 1-36, and 1-37 are made applicable to this Chapter. (1959, c. 683, s. 1.)

**§ 146-69. Service on State in land actions.**

In all actions and special proceedings brought by or against the State or any State agency with respect to State land or any interest therein, service of process upon the Secretary of Administration, with delivery to him of copies for the Attorney General and for the administrative head of each State agency known by the party in whose behalf service is made to have an interest in the land which is the subject of the action or proceeding, shall constitute service upon the State for all purposes. (1959, c. 683, s. 1; 1975, c. 879, s. 46.)

**§ 146-70. Institution of land actions by the State.**

Every action or special proceeding in behalf of the State or any State agency with respect to State lands or any interest therein, or with respect to land being condemned by the State, shall be brought by the Attorney General in the name of the State, upon the complaint of the Secretary of Administration. (1959, c. 683, s. 1; 1975, c. 879, s. 46.)

#### Article 15.

##### State Land Fund.

#### **§ 146-71. State Land Fund created.**

The State Land Fund, which is hereby created, shall consist of the moneys required by this Chapter to be paid into that fund, together with such amounts as the General Assembly may appropriate thereto. (1959, c. 683, s. 1.)

#### **§ 146-72. Purpose.**

The State Land Fund may, in accordance with rules and regulations adopted by the Governor and approved by the Council of State, be used for the following purposes:

- (1) To pay any expenses incurred in carrying out the duties and responsibilities created by the provisions of this Chapter.
- (2) For the acquisition of land, when appropriation is made for that purpose by the General Assembly.
- (3) To pay any expenses incurred by the State Auditor in carrying out the duties and responsibilities created by G.S. 143-341.2(b)(3). (1959, c. 683, s. 1; 2016-119, s. 1(d).)

#### **§ 146-73. Administration.**

The State Land Fund shall be administered by the Department of Administration, in accordance with rules and regulations adopted by the Governor and approved by the Council of State. All expenditures from the fund shall be made upon order of the Director of the Budget, or of the officer designated by him to issue such orders. (1959, c. 683, s. 1.)

#### Article 16.

##### Form of Conveyances.

#### **§ 146-74. Approval of conveyances.**

Every proposed conveyance in fee, including conveyances by gift, of State lands shall be submitted to the Governor and Council of State for their approval. If the proposed conveyance is of State lands with an appraised value of at least twenty-five thousand dollars (\$25,000), and it is for other than a transportation purpose, the Council of State shall consult with the Joint Legislative Commission on Governmental Operations before making a final decision on the proposed conveyance. Upon approval of the proposed conveyance in fee by the Governor and Council of State, a deed for the land being conveyed shall be executed in the manner prescribed in this Article. (1957, c. 584, s. 7; G.S., ss. 143-147; 1959, c. 683, s. 1; 1983 (Reg. Sess., 1984), c. 1116, s. 97; 1993, c. 561, s. 32(b).)

#### **§ 146-75. Execution; signature; attestation; seal.**

Each such conveyance in fee shall be in the usual form of deeds of conveyance of real property and shall be executed in the name of the State of North Carolina, signed in the name of the State by

the Governor, and attested by the Secretary of State; and the great seal of the State of North Carolina shall be affixed thereto. (1929, c. 143, s. 2; G.S., s. 143-148; 1959, c. 683, s. 1.)

**§ 146-76. Exclusive method of conveying State lands.**

The manner and method of conveying State lands herein set out shall be the exclusive and only method of conveying State lands in fee. Any conveyance thereof by any other person or executed in any other manner or by any other method shall not be effective to convey the interest or estate of the State in such land. (1929, c. 143, s. 4; G.S., s. 143-150; 1959, c. 683, s. 1.)

**§ 146-77. Admission to registration in counties.**

Each such conveyance shall be admitted to registration in the several counties of the State upon the probate required by law for deeds of corporations. (1929, c. 143, s. 3; G.S., s. 143-149; 1959, c. 683, s. 1.)

**§ 146-78. Validation of conveyances of state-owned lands.**

All conveyances heretofore made by the Governor, attested by the Secretary of State, and authorized by the Council of State, in the manner provided by G.S. 146-74 and 146-75 of any lands, the title to which was vested in the State for the use of any State institution, department, or agency, or vested in the State for any other purpose, are hereby ratified and validated. (1917, c. 129; C.S., s. 7524; 1951, c. 18; 1957, c. 584, s. 7; G.S., s. 143-146; 1959, c. 683, s. 1.)

Article 17.

Title in State.

**§ 146-79. Title presumed in the State; tax titles.**

In all controversies and suits for any land to which the State or any State agency or its assigns shall be a party, the title to such lands shall be taken and deemed to be in the State or the State agency or its assigns until the other party shall show that he has a good and valid title to such lands in himself.

In all controversies touching the title or the right of possession of any lands claimed by the State or by any State agency under any sale for taxes at any time heretofore made or which hereafter may be made, the deed of conveyance made by the sheriff or other officer or person making such sale, or who may have been authorized to execute such deed, shall be presumptive evidence that the lands therein mentioned were, at the time the lien for such taxes attached and at the time of the sale, the property of the person therein designated as the delinquent owner; that such lands were subject to taxation; that the taxes were duly levied and assessed; that the lands were duly listed; that the taxes were due and unpaid; that the manner in which the listing, assessment, levy, and sale were conducted was in all respects as the law directed; that all the prerequisites of the law were duly complied with by all officers or persons who had or whose duty it was to have had any part or action in any transaction relating to or affecting the title conveyed or purported to be conveyed by the deed, from the listing and valuation of the property up to the execution of the deed, both inclusive; and that all things whatsoever required by law to make a good and valid sale and vest the title in the purchaser were done, and that all recitals in such deed contained are true as to each and every of the matters so recited.

In all controversies and suits involving the title to real property claimed and held under and by virtue of a deed made substantially as above, the person claiming title adverse to the title conveyed by such deed shall be required to prove, in order to defeat such title, either that the real property was

not subject to taxation for the year or years named in the deed, that the taxes had been paid before the sale, that the property had been redeemed from the sale according to the provisions of law, and that such redemption was had or made for the use or benefit of persons having the right of redemption under the laws of this State, or that there had been an entire omission to list or assess the property or to levy the taxes or to sell the property; but no person shall be permitted to question the title acquired under such sale and deed without first showing that he or the person under whom he claims title had title to the property at the time of the sale, and that all taxes due upon the property have been paid by such person or the person under whom he claims title. (1842-3, c. 36, s. 3; R.C., c. 66, s. 24; Code, s. 2527; 1889, c. 243; Rev., s. 4047; C.S., s. 7617; G.S., s. 146-90; 1959, c. 683, s. 1.)

**§ 146-80. Statute of limitations.**

No statute of limitations shall affect the title or mar the action of the State, or of any State agency, or of its assigns, unless the same would protect the person holding and claiming adversely against the State. Neither the State nor any State agency, nor its assigns, shall commence any action for the recovery of damages for timber cut and removed from lands owned by the State or by any State agency or for any other act of trespass committed on such lands, more than 10 years after the occurrence of such cutting, removal, or other act of trespass. The provisions of this section shall not have the effect of reviving any cause of action which was, at the date of ratification of this Chapter, barred by any applicable statute of limitations. (1842, c. 36, s. 5; R.C., c. 66, s. 25; Code, s. 2528; Rev., s. 4048; 1917, c. 287; C.S., s. 7618; G.S., s. 146-91; 1959, c. 683, s. 1.)

**§ 146-81. Title to lands sold for taxes.**

The title to all land acquired by the State by virtue of being sold for taxes is hereby vested in the State of North Carolina. (1917, c. 209; C.S., s. 7615; G.S., s. 146-88; 1959, c. 683, s. 1.)

**§ 146-82. Protection of interest in lands sold for taxes.**

Whenever any lands in which the State of North Carolina or any State agency has an interest, by way of mortgage or otherwise, are advertised to be sold for any taxes or special assessment, or under any lien, the Department of Administration is authorized, if in its judgment it is necessary to protect the interest of the State, to appear at any sale of such lands and to buy the same as any other person would. For the purpose of paying therefor, the Director of the Budget is authorized to draw upon the State Land Fund. (1917, c. 246; C.S., s. 7616; G.S., s. 146-89; 1959, c. 683, s. 1.)

Article 18.

Miscellaneous.

**§ 146-83. Vested rights protected.**

No provision of this Chapter shall be applied or construed to the detriment of vested rights, interests, or estates of any private individual, firm, or corporation, acquired prior to June 2, 1959. (1959, c. 683, s. 1.)