

**02 NCAC 59C .0410 PREREQUISITE FOR DISBURSEMENT OF GRANT FUNDS**

(a) Land Rights. The grant recipient shall acquire all land rights involved in water retarding structure sites (including flood prevention, water supply or recreation) and recreation sites prior to disbursement of grant funds; however, the commission has the discretion to approve disbursement in the following situations:

- (1) The acquiring agency has not obtained all land rights, but has options to purchase those remaining, or has initiated eminent domain proceedings and will have funds on hand to complete the land rights acquisitions after disbursement.
- (2) The acquiring agency has reached a written agreement with a utility company or the Department of Transportation concerning the subsequent relocation of a public utility or a state road.
- (3) When a grant is from a time-limited reversionary fund, and upon evidence satisfactory to the Commission that the grant recipient will cover at least 50 percent of land rights acquisition costs. The Commission may make partial funds available as the grant recipient evidences financial ability to cover land rights acquisition costs at specific phases of development including but not limited to surveying, appraisal and purchase of individual parcels.

(b) Construction and Engineering:

- (1) The commission has the discretion to approve either lump sum or progressive grant disbursement payments for construction and engineering purposes. The commission shall evaluate the applicant's financial needs and other pertinent data to determine the manner of payment. However, the commission shall withhold at least 10 percent of the disbursement to insure satisfactory completion of construction/engineering works.
- (2) Prior to any disbursement for construction, the grant recipient shall certify on Form 004LR that it has acquired all necessary land rights in compliance with all applicable laws, rules, and regulations. The commission may accept an executed SCS-AS-78 Form in lieu of the commission's own form.
- (3) The commission may withhold any payments of state grant funds pending the completion of any required audits or inspections.

*History Note: Authority G.S. 106-840; 139-4(d); 139-56;  
Eff. September 1, 1982;  
Temporary Amendment Eff. April 5, 1993 for a Period of 180 Days or until the Permanent Rule becomes Effective, Whichever is Sooner;  
Amended Eff. March 1, 1995; October 1, 1993; January 1, 1985; October 1, 1984;  
Transferred from 15A NCAC 06C .0417 Eff. May 1, 2012;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. September 19, 2015.*