

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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SENATE BILL 1005

Short Title: IDF Limitation Modifications. (Public)

Sponsors: Senators Hoyle, Foriest; and Clary.

Referred to: Appropriations/Base Budget.

March 26, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO EXPAND ECONOMICALLY DISTRESSED COUNTIES TO INCLUDE ALL
3 TIER ONE AND TIER TWO COUNTIES AND TO INCREASE THE MAXIMUM
4 EXPENDITURE OF FUNDS FROM THE INDUSTRIAL DEVELOPMENT FUND.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 143B-437.01 reads as rewritten:

7 **"§ 143B-437.01. Industrial Development Fund.**

8 (a) Creation and Purpose of Fund. – There is created in the Department of Commerce
9 the Industrial Development Fund to provide funds to assist the local government units of the
10 most economically distressed counties in the State in creating jobs in certain industries. The
11 Department of Commerce shall adopt rules providing for the administration of the program.
12 Those rules shall include the following provisions, which shall apply to each grant from the
13 fund:

- 14 (1) The funds shall be used for (i) installation of or purchases of equipment for
15 eligible industries, (ii) structural repairs, improvements, or renovations of
16 existing buildings to be used for expansion of eligible industries, or (iii)
17 construction of or improvements to new or existing water, sewer, gas,
18 telecommunications, high-speed broadband, electrical utility distribution
19 lines or equipment, or transportation infrastructure for existing or new or
20 proposed industrial buildings to be used for eligible industries. To be eligible
21 for funding, the water, sewer, gas, telecommunications, high-speed
22 broadband, electrical utility lines or facilities, or transportation infrastructure
23 shall be located on the site of the building or, if not located on the site, shall
24 be directly related to the operation of the specific eligible industrial activity.
- 25 (1a) The funds shall be used for projects located in economically distressed
26 counties except that the Secretary of Commerce may use up to one hundred
27 thousand dollars (\$100,000) to provide emergency economic development
28 assistance in any county that is documented to be experiencing a major
29 economic dislocation.
- 30 (2) The funds shall be used by the city and county governments for projects that
31 will directly result in the creation of new jobs. The funds shall be expended
32 at a maximum rate of ~~five thousand dollars (\$5,000)~~ ten thousand dollars
33 (\$10,000) per new job created up to a maximum of five hundred thousand
34 dollars (\$500,000) per project.
- 35 (3) There shall be no local match requirement if the project is located in a
36 county that has one of the 25 highest rankings under G.S. 143B-437.08 or
37 that has a population of less than 50,000 and more than nineteen percent



- 1 (19%) of its population below the federal poverty level according to the most
2 recent federal decennial census.
- 3 (4) The Department may authorize a local government that receives funds under
4 this section to use up to two percent (2%) of the funds, if necessary, to verify
5 that the funds are used only in accordance with law and to otherwise
6 administer the grant or loan.
- 7 (5) No project subject to the Environmental Policy Act, Article 1 of Chapter
8 113A of the General Statutes, shall be funded unless the Secretary of
9 Commerce finds that the proposed project will not have a significant adverse
10 effect on the environment. The Secretary of Commerce shall not make this
11 finding unless the Secretary has first received a certification from the
12 Department of Environment and Natural Resources that concludes, after
13 consideration of avoidance and mitigation measures, that the proposed
14 project will not have a significant adverse effect on the environment.
- 15 (6) The funds shall not be used for any nonmanufacturing project that does not
16 meet the wage standard set out in G.S. 105-129.4(b).
- 17 (a1) Definitions. – The following definitions apply in this section:
- 18 (1) Air courier services. – Defined in G.S. 105-129.81.
- 19 (2) Repealed by Session Laws 2006-252, s. 2.4, effective January 1, 2007.
- 20 (2a) Company headquarters. – Defined in G.S. 105-129.81.
- 21 (3) Repealed by Session Laws 2006-252, s. 2.4, effective January 1, 2007.
- 22 (4) Economically distressed county. – A county that ~~has one of the 65 highest~~
23 rankings is defined as a tier one or tier two county under G.S. 143B-437.08
24 after the adjustments of that section are applied.
- 25 (5) Eligible industry. – A company headquarters or a person engaged in the
26 business of air courier services, information technology and services,
27 manufacturing, or warehousing and wholesale trade.
- 28 (6) Information technology and services. – Defined in G.S. 105-129.81.
- 29 (7) Major economic dislocation. – The actual or imminent loss of 500 or more
30 manufacturing jobs in the county or of a number of manufacturing jobs equal
31 to at least ten percent (10%) of the existing manufacturing workforce in the
32 county.
- 33 (8) Manufacturing. – Defined in G.S. 105-129.81.
- 34 (9) Reserved.
- 35 (10) Warehousing. – Defined in G.S. 105-129.81.
- 36 (11) Wholesale trade. – Defined in G.S. 105-129.81.
- 37 (b) Repealed by Session Laws 1996, Second Extra Session, c. 13, s. 3.5.
- 38 (b1) Utility Account. – There is created within the Industrial Development Fund a
39 special account to be known as the Utility Account to provide funds to assist the local
40 government units of the counties that ~~have one of the 65 highest rankings~~
41 or tier two county under G.S. 143B-437.08 after the adjustments of that section are applied in
42 creating jobs in eligible industries. The Department of Commerce shall adopt rules providing
43 for the administration of the program. Except as otherwise provided in this subsection, those
44 rules shall be consistent with the rules adopted with respect to the Industrial Development
45 Fund. The rules shall provide that the funds in the Utility Account may be used only for
46 construction of or improvements to new or existing water, sewer, gas, telecommunications,
47 high-speed broadband, electrical utility distribution lines or equipment, or transportation
48 infrastructure for existing or new or proposed industrial buildings to be used for eligible
49 industrial operations. To be eligible for funding, the water, sewer, gas, telecommunications,
50 high-speed broadband, electrical utility lines or facilities, or transportation infrastructure shall
51 be located on the site of the building or, if not located on the site, shall be directly related to the

1 operation of the specific industrial activity. There shall be no maximum funding amount per
2 new job to be created or per project.

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

9 (c1) In addition to the reporting requirements of subsection (c) of this section, the
10 Department of Commerce shall report annually to the General Assembly concerning the
11 payments made from the Utility Account and the impact of the payments on job creation in the
12 State. The Department of Commerce shall also report quarterly to the Joint Legislative
13 Commission on Governmental Operations and the Fiscal Research Division on the use of the
14 moneys in the Utility Account including information regarding to whom payments were made,
15 in what amounts, and for what purposes.

16 (d) Repealed by Session Laws 1996, Second Extra Session, c. 13, s. 3.5."

17 **SECTION 2.** This act becomes effective July 1, 2009.