

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL 482

Short Title: Site Development Revolving Assistance Fund. (Public)

Sponsors: Senators Newton and Craven (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 5, 2021

A BILL TO BE ENTITLED

AN ACT TO CREATE A SITE DEVELOPMENT REVOLVING ASSISTANCE FUND.

The General Assembly of North Carolina enacts:

SECTION 1. Part 22 of Article 10 of Chapter 143B is amended by adding a new section to read:

"§ 143B-472.127A. Site Development Revolving Assistance Fund.

(a) Purpose. – This section governs the use of revenue appropriated to the Authority to provide a source of State funds to provide site assistance for site development projects and revenue received by the Authority from the repayment of loans made with the use of these funds.

(b) Fund Established. – The Site Development Revolving Assistance Fund is established as a special revenue fund. The Fund receives State funds for site development. Revenue credited to the account is available in perpetuity and must be used only to provide site assistance to local government units as allowed in this section. The Authority is directed to establish accounts within the Fund to administer site assistance for site development projects for local government units. The Authority, in consultation with the Economic Investment Committee, shall determine the form of site assistance that is appropriate for a project application by a local government unit.

(c) Prioritization. – The factors for priority in this section apply to site assistance from the Fund. The Rural Infrastructure Authority must consider the following items when evaluating applications:

- (1) Whether site assistance is needed in order for the local government unit to complete the site development project.
- (2) The anticipated economic impact of full utilization of the site, including increased employment opportunities and the effect on the tax base of the local government unit.
- (3) The costs of the project when compared to the benefits of the project.
- (4) The degree to which the local government unit has historically invested in and attempted to recruit economic development projects and opportunities.
- (5) The types of industries for which the project is suitable for use.
- (6) The likelihood of utilization of the site.
- (7) The degree to which the site assistance funds will be recouped upon the sale of the project to a business.
- (8) How much site assistance has been made pursuant to this Part for the economic development of the local government unit.
- (9) The likelihood that utilization of the site will induce additional economic investment in the area.



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1 (10) Whether the local government unit has demonstrated a willingness and ability
2 to meet its responsibilities through sound fiscal policies and efficient
3 operation and management.

4 (d) Fee. – Site assistance awarded from the Fund is subject to a fee of two percent (2%)
5 of the amount of the site assistance provided. The fee is payable when site assistance is awarded
6 and is a departmental receipt and must be applied to the Authority's costs and, to the extent
7 applicable for site assistance in the form of loans, the Local Government Commission's costs in
8 administering site assistance funds from the Fund. The Authority and the Local Government
9 Commission must determine how to allocate the fee receipts.

10 (e) Report. – The Division shall publish a report each year on the accounts in the Fund.
11 The report shall be published by November 1 of each year and cover the preceding fiscal year.
12 The Division shall submit a copy of the report to the Joint Legislative Oversight Committee on
13 Agriculture and Natural and Economic Resources and the Fiscal Research Division. The report
14 required by this section must contain the following information concerning the accounts of the
15 Fund:

16 (1) The beginning and ending balance for the fiscal year.

17 (2) The amount of revenue credited to the Fund during the fiscal year.

18 (3) The total amount of site assistance awarded from the Fund.

19 (4) Specific to each site assistance awarded, the recipient of the site assistance,
20 the amount of the site assistance, the amount of the site assistance that was
21 disbursed, and the amount of the site assistance remaining to be disbursed in
22 a subsequent fiscal year.

23 (5) The amount disbursed for site assistance awarded but not disbursed in a prior
24 fiscal year and the amount remaining to be disbursed in a subsequent fiscal
25 year.

26 (6) An assessment of the expected impact on the economic development of the
27 projects for which the site assistance funds were awarded.

28 (f) Administration. – The Division shall be responsible for administering the program
29 whereby site assistance funds are awarded by the Authority as provided in this section.

30 (g) Eligibility; Use. – A local government unit is eligible to apply for site assistance from
31 the Fund. Site assistance from the Fund may be used for the following types of projects necessary
32 to prepare or improve a site to make the site suitable for sale to a business looking to relocate or
33 expand:

34 (1) Installation or purchase of equipment.

35 (2) Structural repairs, improvements, or renovations to existing buildings or
36 construction of new buildings.

37 (3) Construction of or improvements to new or existing water, sewer, gas, or
38 electric utility distributions lines or equipment for existing, new, or proposed
39 buildings.

40 (4) Any other purposes specifically provided by an act of the General Assembly.

41 (h) Limitations. – The following limitations apply to the Fund:

42 (1) The amount of site assistance funds from the Fund may not exceed the lesser
43 of the construction costs of a project or the anticipated sale price of the
44 improved asset.

45 (2) Site assistance from the Fund is available only to the extent that other funding
46 sources are not reasonably available to the local government unit.

47 (i) Application. – An application for site assistance from the Fund must be filed with the
48 Authority. An application must be submitted on a form prescribed by, and contain the information
49 required by, the Authority. An applicant must submit any additional information requested by
50 the Authority to enable the Authority to make a determination on the application. An application

1 that does not contain information required by this subsection is incomplete and not eligible for
2 consideration.

3 (j) Review. – The Authority must review all applications filed for site assistance under
4 this section for an application period and rank each application in accordance with the
5 prioritization factors set forth in subsection (c) of this section. The Authority's determination of
6 rank is conclusive. If the Authority determines an application's rank is too low to receive an
7 award of site assistance for an application period, the Authority must include the application with
8 those considered for the next application period. If the application's rank is again too low to
9 receive an award, the application is not eligible for consideration in a subsequent application
10 period. An applicant whose application does not receive an award after review in two application
11 periods may file a new application.

12 (k) Award. – When the Authority determines that an application's rank makes it eligible
13 for an award of site assistance, the Authority must send the applicant a letter of intent to award
14 the site assistance. The notice must set out any conditions the applicant must meet to receive an
15 award of site assistance. When the applicant satisfies the conditions set out in the letter of intent,
16 the Authority must send the applicant an offer to award site assistance. The applicant must give
17 the Authority written notice of whether it accepts or rejects the offer. Site assistance is considered
18 awarded when an offer to award the site assistance is issued.

19 (l) Approval by Local Government Commission. – The Authority may not award site
20 assistance in the form of a loan under this section unless the Local Government Commission
21 approves the award of the loan and the terms of the loan. In reviewing a proposed loan to a local
22 government unit, the Local Government Commission must consider the loan as if it were a bond
23 proposal and review the proposed loan in accordance with the factors set out in G.S. 159-52 for
24 review of a proposed bond issue.

25 (m) Terms. – Site assistance in the form of a loan from the Fund is subject to all of the
26 following:

27 (1) Interest rate. – The interest rate for a loan may not exceed the lesser of four
28 percent (4%) or one-half the prevailing national market rate for tax-exempt
29 general obligation debt of similar maturities derived from a published
30 indicator.

31 (2) Maturity. – The maximum maturity for a loan for a project is 20 years or the
32 project's expected life, whichever is shorter.

33 (3) Security. – A local government unit may pledge, as security for an obligation
34 to repay the principal of and interest on a loan awarded under this section,
35 either or both of (i) a mortgage, deed of trust, security interest, or similar lien
36 on part or all of the real and personal property comprising the equipment,
37 buildings, or infrastructure that benefits from the project for which the loan is
38 awarded or (ii) its full faith and credit if it meets the requirements of Article 4
39 of Chapter 159 of the General Statutes.

40 (n) Debt Instrument. – A local government unit may execute a debt instrument payable
41 to the State to evidence an obligation to repay the principal of and interest on site assistance in
42 the form of a loan awarded under this section. The Treasurer, with the assistance of the Local
43 Government Commission, must develop debt instruments for use by local government units
44 under this section. The Local Government Commission must develop procedures for loan
45 recipients to deliver debt instruments to the State without public bidding.

46 (o) Withdrawal. – A letter of intent to offer an award for site assistance for a project is
47 withdrawn if the local government unit fails to enter into a construction contract for the project
48 within two years after the date of the letter. An award for site assistance for a project is withdrawn
49 if the local government unit fails to enter into a construction contract for the project within one
50 year after the date of the award. The Division may extend the time limits provided in this
51 subsection on a finding that the applicant has good cause for the failure but must, upon a finding

1 of good cause, set a date by which the local government unit must take action or forfeit the site
2 assistance.

3 (p) Disbursement. – The Division must disburse the proceeds of site assistance in the
4 form of a grant or a loan to a local government unit in a series of payments based on the progress
5 of the project for which the site assistance was awarded. To obtain a payment, the local
6 government unit must submit a request for payment to the Division and document the
7 expenditures for which the payment is requested.

8 (q) Inspection. – The Division may have a project for which site assistance in the form of
9 a grant or a loan is awarded under this section inspected to determine the progress made on the
10 project and whether the construction of the project is consistent with the project described in the
11 application. The individual performing the inspection must hold licenses and certifications, as
12 appropriate for such inspections, and may not be any of the following:

13 (1) An officer or employee of the local government unit that received the site
14 assistance for the project.

15 (2) An owner, officer, employee, or agent of a contractor or subcontractor
16 engaged in the construction of the project for which the site assistance was
17 made.

18 (r) Rules. – The Authority may adopt rules to implement this section. Chapter 150B of
19 the General Statutes, the Administrative Procedure Act, governs the adoption of rules by the
20 Authority. The Authority must give a copy of the rules adopted to implement this section without
21 charge to a person who requests a copy.

22 (s) Definitions. – The following definitions apply in this section:

23 (1) Authority. – The Rural Infrastructure Authority created in
24 G.S. 143B-437.128.

25 (2) Construction costs. – The costs of planning, designing, and constructing a
26 project for which site assistance is available under this section. The term
27 includes (i) legal, fiscal, administrative, and contingency costs, (ii) the fee
28 imposed under this section to obtain site assistance for a project, and (iii) the
29 cost to acquire real property or an interest in real property.

30 (3) Division. – The Rural Economic Development Division created in
31 G.S. 143B-437.126.

32 (4) Fund. – The Site Development Revolving Assistance Fund created in this
33 section.

34 (5) Loan. – A sum of money loaned to a local government unit with an obligation
35 on the part of the unit to repay the sum.

36 (6) Local Government Commission. – The Local Government Commission of the
37 Department of the State Treasurer, established in G.S. 159-3.

38 (7) Local government unit. – Any of the following:

39 a. A city, as defined in G.S. 160A-1.

40 b. A county.

41 c. A consolidated city-county, as defined in G.S. 160B-2.

42 (8) Site assistance. – Assistance in the form of a loan to a local government unit,
43 a grant to a local government unit, or the acquisition and improvement of a
44 site by the State on behalf of a local government unit to be developed and sold
45 to a business.

46 (9) State. – The State of North Carolina.

47 (10) Treasurer. – The Treasurer of the State elected pursuant to Article III, Section
48 7, of the Constitution."

49 **SECTION 2.** There is appropriated from the General Fund to the Site Development
50 Revolving Assistance Fund established in this act the sum of one hundred million dollars
51 (\$100,000,000) for uses consistent with the Fund.

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SECTION 3. This act becomes effective July 1, 2021.