

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H.B. 974
May 1, 2024
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH30437-MWa-98

Short Title: Spcl Economic Development Fund for Airports. (Public)

Sponsors: Representative Reives.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A SPECIAL ECONOMIC DEVELOPMENT FUND FOR
3 AIRPORTS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 63 of the General Statutes is amended by adding a new Article
6 to read:

7 "Article 7A.

8 "Airport Special Economic Development Fund.

9 **"§ 63-76. Airport Special Economic Development Fund.**

10 (a) Creation. – The Special Economic Development Fund for Airports (Fund) is
11 established as a special fund within the Department of Transportation to be administered by the
12 Division of Aviation in accordance with this Article.

13 (b) Purpose. – The purpose of the Fund is for airport capital improvements and to
14 incentivize and retain economically strategic flights.

15 (c) Source. – The Fund shall consist of funds transferred to the Fund and revenue
16 generated by Fund investments and interest. Unexpended funds appropriated to the Fund shall
17 not revert.

18 (d) Uses. – Funds in the Fund shall be used in accordance with the purpose of this section.

19 (e) Limitations. – An allocation of funds under this section shall be in accordance with
20 the following limitations:

21 (1) No more than eighty percent (80%) of the annual allocations from the Fund
22 shall be used for airport capital improvements.

23 (2) No more than seventeen percent (17%) of the annual allocations from the
24 Fund shall be used to incentivize and retain economically strategic flights.

25 (3) Up to twenty percent (20%) of the annual allocations from the Fund may be
26 applied to airport safety improvements, to the extent that the Department
27 determines that the lack of airport safety improvements is inhibiting economic
28 growth.

29 (f) Cost-Sharing. – The total allocation of funds from the Fund shall not exceed fifty
30 percent (50%) of the cost for airport improvements.

31 (g) Criteria. – The Division shall establish procedures and criteria and adopt rules for
32 allocating funds from the Fund in accordance with the purpose of this section and the following
33 criteria:

34 (1) The airport project is projected to increase jobs, wages, capital investment,
35 and tourism to North Carolina, with a particular emphasis on educational
36 tourism, as independently determined by the Department.



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1 (2) Allocations shall be competitive and, after consultation with the Department
2 of Commerce, awarded to proposals with the greatest projected economic
3 impact benefitting North Carolina.

4 (h) Administrative Costs. – The Department may use no more than three percent (3%) of
5 the Fund for administrative costs.

6 (i) Report. – No later than March 1, 2025, the Division shall submit an initial report on
7 the implementation of this section to the Joint Legislative Commission on Governmental
8 Operations, the Joint Legislative Transportation Oversight Committee, and the Fiscal Research
9 Division and thereafter shall submit an annual report no later than December 1 of each year. The
10 report shall include the following information: use of funds, projects approved, and estimated
11 economic impact."

12 **SECTION 2.** There is appropriated from the General Fund to the Special Economic
13 Development Fund for Airports the sum of two hundred million dollars (\$200,000,000) in
14 nonrecurring funds.

15 **SECTION 3.** This act is effective when it becomes law.