

GENERAL ASSEMBLY OF NORTH CAROLINA
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SENATE BILL 664
Commerce and Insurance Committee Substitute Adopted 4/8/25
Third Edition Engrossed 4/10/25
House Committee Substitute Favorable 6/10/25

Short Title: JMAC Flexibility / ABC Law Revisions.

(Public)

Sponsors:

Referred to:

March 26, 2025

A BILL TO BE ENTITLED
AN ACT TO ALLOW FLEXIBILITY IN THE EVENT OF NONCOMPLIANCE WITH A
JMAC AGREEMENT AND TO AMEND THE ABC LAWS TO EXPAND USE OF
ALTERNATING PROPRIETORSHIPS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-437.012 reads as rewritten:
"§ 143B-437.012. Job Maintenance and Capital Development Fund.

...

(d) Eligibility. – A business is eligible for consideration for a grant under this section if it satisfies the conditions of subdivision (1), (1a), (2), (2a), or (2b) of this subsection and satisfies subdivision (4) of this subsection:

- (1) The business is a major employer. A business is a major employer if the business meets the following requirements:
 - a. The Department certifies that the business has invested or intends to invest at least two hundred million dollars (\$200,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences.
 - b. The business employs at least 2,000 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 2,000 full-time employees or equivalent full-time contract employees at the project for the full term of the grant agreement.
 - c. The project is located in a development tier one area at the time the business applies for a grant.

- (1a) The business previously received a grant as a major employer under this section and meets the following requirements:
 - a. The Department certifies that the business has invested or intends to invest at least one hundred fifty million dollars (\$150,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences. Amounts certified as invested under sub-subdivision a. of subdivision (1) of this



- 1 subsection shall not be included in the amount required by this
2 sub-subdivision.
- 3 b. The business employs at least 2,000 full-time employees or equivalent
4 full-time contract employees at the project that is the subject of the
5 grant at the time the application is made and the business agrees to
6 maintain at least 2,000 full-time employees or equivalent full-time
7 contract employees at the project for the full term of the grant
8 agreement.
- 9 c. The project is at the same location as that for which a grant was
10 previously awarded under subdivision (1) of this subsection.
- 11 (2) The business is a large manufacturing employer. A business is a large
12 manufacturing employer if the business meets the following requirements:
- 13 a. The business is in manufacturing, as defined in G.S. 105-129.81, and
14 is converting its manufacturing process to change the product it
15 manufactures or is investing in its manufacturing process by
16 enhancing pollution controls or transitioning the manufacturing
17 process from using coal to using natural gas for the purpose of
18 becoming more energy efficient or reducing emissions.
- 19 b. The Department certifies that the business has invested or intends to
20 invest at least fifty million dollars (\$50,000,000) of private funds in
21 improvements to real property and additions to tangible personal
22 property in the project within a five-year period beginning with the
23 time the investment commences.
- 24 c. The business meets one of the following employment requirements:
- 25 1. If in a development tier one area, the business employs at least
26 320 full-time employees at the project that is the subject of the
27 grant at the time the application is made, and the business
28 agrees to maintain at least 320 full-time employees at the
29 project for the full term of the grant.
- 30 2. If in a development tier two area with a population of less than
31 60,000 as of July 1, 2013, the business employs at least 800
32 full-time employees or equivalent full-time contract employees
33 at the project that is the subject of the grant at the time the
34 application is made, and the business agrees to maintain at least
35 800 full-time employees or equivalent full-time contract
36 employees at the project for the full term of the grant.
- 37 (2a) The business is a heritage manufacturing employer. A business is a heritage
38 manufacturing employer if the business meets the following requirements:
- 39 a. The business is in manufacturing, as defined in G.S. 143B-437.01, and
40 has been operating in this State for over 100 years.
- 41 b. The Department certifies that the business has invested or intends to
42 invest at least three hundred twenty-five million dollars
43 (\$325,000,000) of private funds in improvements to real property and
44 additions to tangible personal property in the project within a four-year
45 period beginning with the time the investment commences.
- 46 c. The business employs at least 1,050 full-time employees or equivalent
47 full-time contract employees in the State at the time the application is
48 made and the business agrees to (i) maintain at least 1,050 full-time
49 employees or equivalent full-time contract employees in the State for
50 the full term of the grant and (ii) retrain and relocate to a development
51 tier two area at least 400 of those full-time employees or equivalent

- 1 full-time contract employees upon the commencement of commercial
2 production at its tier two area facility.
- 3 d. The business is operating in a development tier three area at the time
4 the business applies for a grant and the business is relocating to a
5 development tier two area with an estimated population of less than
6 63,000, according to the 2017 Certified County Population Estimates
7 published by the State Demographer's Office.
- 8 e. An agreement with a business under this subdivision may provide that
9 the grant paid out over the term of the agreement be in unequal annual
10 payments and in amounts deviating from the factors listed in
11 subsection (l) of this section for any individual annual payment,
12 provided the factors are considered in the aggregate award to be paid
13 to the business over the entire term of the agreement.
- 14 (2b) The business is a supply-chain-impact manufacturing employer. A business is
15 a supply-chain-impact manufacturing employer if the business meets the
16 following requirements:
- 17 a. The business is in manufacturing, as defined in G.S. 105-129.81,
18 manufactures a product used primarily and significantly in the
19 construction of residential and commercial buildings, and is investing
20 in its manufacturing process to transition away from utilizing
21 coal-based energy byproducts to other alternatives.
- 22 b. The Department certifies that the business has invested or intends to
23 invest at least one hundred ten million dollars (\$110,000,000) of
24 private funds in improvements to real property and additions to
25 tangible personal property in the project within a five-year period
26 beginning with the time the investment commences.
- 27 c. The business and its affiliated companies (i) employ at least 420
28 full-time employees or equivalent full-time contract employees in the
29 State at the time the application is made and (ii) agree to maintain at
30 least 420 full-time employees or equivalent full-time contract
31 employees in the State for the full term of the grant.
- 32 d. The business has operations in a development tier two area at the time
33 the business applies for a grant, and the business agrees to maintain or
34 increase the development tier two area operations for the term of the
35 agreement.
- 36 ...
- 37 (j) Agreement. – Unless the Secretary of Commerce determines that the project is no
38 longer eligible or appropriate for a grant under this section, the Department shall enter into an
39 agreement to provide a grant or grants for a project recommended by the Committee. Each grant
40 agreement (i) is binding and constitutes a continuing contractual obligation of the State and the
41 business. ~~The grant agreement business, (ii) shall include the performance criteria, remedies, and~~
42 other safeguards recommended by the Committee or required by the ~~Department.~~ Department,
43 and (iii) shall contain the following provisions:
- 44 ~~Each grant agreement shall contain a~~
- 45 (1) A provision prohibiting a business from receiving a payment or other benefit
46 under the agreement at any time when the business has received a notice of an
47 overdue tax debt and the overdue tax debt has not been satisfied or otherwise
48 resolved.
- 49 (2) A provision requiring the business to maintain an employment level. For the
50 purposes of this subsection, the employment level includes full-time

employees and equivalent full-time contract employees. The applicable employment level is as follows:

- a. ~~Each grant~~ If the grant agreement is for a business that ~~is~~ has qualified as a major employer under ~~subdivision (1) of~~ subsection (d) of this section ~~shall contain section~~, a provision requiring the business to maintain the employment level at the project that is the subject of the agreement ~~that is the lesser of the level it had at the time it applied for a grant under this section or that it had at the time that the investment required under subsection (d) of this section began. For the purposes of this subsection, the employment level includes full-time employees and equivalent full-time contract employees. The agreement shall further specify that the amount of a grant shall be reduced in proportion to the extent the business fails to maintain employment at this level and that the business shall not be eligible for a grant in any year in which its employment level is less than eighty percent (80%) of that required at the level required in subdivision (d)(1) of this section. The provision shall further require, in the event the business fails to maintain the required level of employment by more than 100 employees, a one percent (1%) reduction of the grant for every one employee below that threshold.~~
- b. ~~Each~~ If the grant agreement is for a business that ~~is~~ has not qualified as a major employer under ~~subdivision (1) of~~ subsection (d) of this section ~~shall contain section~~, a provision requiring the business to maintain the employment level required under that subdivision at the project that is the subject of the grant. The ~~agreement provision~~ shall further specify that the business is not eligible for a grant in any year in which the business fails to maintain the employment level.

A grant agreement may obligate the State to make a series of grant payments over a period of up to 10 years. Nothing in this section constitutes or authorizes a guarantee or assumption by the State of any debt of any business or authorizes the taxing power or the full faith and credit of the State to be pledged.

The Department shall cooperate with the Attorney General's office in preparing the documentation for the grant agreement. The Attorney General shall review the terms of all proposed agreements to be entered into under this section. To be effective against the State, an agreement entered into under this section shall be signed personally by the Attorney General.

(k) Safeguards. – To ensure that public funds are used only to carry out the public purposes provided in this section, the Department shall require that each business that receives a grant under this section shall agree to meet performance criteria to protect the State's investment and ensure that the projected benefits of the project are secured. The performance criteria to be required shall include ~~maintenance of an appropriate level of employment at specified levels of compensation, compensation for required levels of employment,~~ maintenance of health insurance for all full-time employees, investment of a specified amount over the term of the agreement, and any other criteria the Department considers appropriate. The agreement shall require the business to repay or reimburse an appropriate portion of the grant based on the extent of any failure by the business to meet the performance criteria. The agreement shall require the business to repay all amounts received under the agreement and to forfeit any future grant payments if the business fails to satisfy the investment eligibility requirement of this section. The use of contract employees shall not be used to reduce compensation at the project that is the subject of the agreement.

...."

SECTION 2. G.S. 18B-903 reads as rewritten:

1 **"§ 18B-903. Duration of permit; renewal and transfer.**

2 ...

3 (c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section shall
4 be construed to limit alternating ~~brewery~~ proprietorships in which the holder of a ~~brewery~~ permit
5 under G.S. 18B-1101, 18B-1102, 18B-1104, or 18B-1105 leases or otherwise makes available
6 its facility to another holder of a ~~brewery permit~~ permit under G.S. 18B-1101, 18B-1102,
7 18B-1104, or 18B-1105. For purposes of this section, if authorized by federal law, the host
8 ~~brewery facility~~ may also hold, at the same facility, brewery, unfortified winery, fortified winery,
9 and distillery permits pursuant to G.S. 18B-1101, 18B-1102, 18B-1104, and 18B-1105. In this
10 arrangement, the tenant ~~brewery producer~~ shall maintain title to the ~~malt~~ beverages at all states
11 of the ~~brewing~~ process and shall be responsible for all aspects associated with manufacturing the
12 product, including maintaining appropriate records, obtaining label approval in its own name,
13 and remitting the appropriate taxes. Alternating brewery proprietorships are authorized between
14 affiliated breweries, but shall not be used as a means to allocate production quantities between
15 affiliated breweries to obtain a malt beverage wholesaler permit pursuant to G.S. 18B-1104(a)(8)
16 where either brewery would not otherwise qualify for a permit, and the Commission shall have
17 no authority to grant an exemption to this requirement pursuant to G.S. 18B-1116(b).

18 "

19 **SECTION 3.** This act is effective when it becomes law, and Section 1 of this act
20 applies to awards in effect on or after that date.