

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 258*
Committee Substitute Favorable 3/13/19

Short Title: Expand Eligibility for Utility Account.

(Public)

Sponsors:

Referred to:

March 5, 2019

A BILL TO BE ENTITLED
AN ACT TO EXPAND ELIGIBILITY FOR UTILITY ACCOUNT FUNDS.
The General Assembly of North Carolina enacts:

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

"§ 143B-437.01. Industrial Development Fund Utility Account.

(a) Creation and Purpose of Fund. – There is created in the Department of Commerce a special account to be known as the Industrial Development Fund Utility Account ("Utility Account") to provide funds to assist the local government units of the most economically distressed counties in the State in creating jobs. The Department of Commerce shall adopt rules providing for the administration of the program. Those rules shall include the following provisions, which shall apply to each grant from the account:

(1) The funds shall be used for construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings. To be eligible for funding, the water, gas, telecommunications, high-speed broadband, electrical utility lines or facilities, or transportation infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the job creation activity. To be eligible for funding, the sewer infrastructure shall be located on the site of the building or, if not located on the site, shall be directly related to the operation of the job creation activity, even if the sewer infrastructure is located in a county other than the county in which the building is located.

(1a) The funds shall be used for projects located in economically distressed counties except that the Secretary of Commerce may use up to one hundred thousand dollars (\$100,000) to provide emergency economic development assistance in any county that is documented to be experiencing a major economic dislocation.

(2) The funds shall be used by the city and county governments for projects that are reasonably anticipated to result in the creation of new jobs. There shall be no maximum funding amount per new job to be created or per project.

(3) There shall be no local match requirement if the project is located in a county that has one of the 25 highest rankings under G.S. 143B-437.08.

...

(6) The funds shall not be used for any retail, entertainment, or sports projects. The funds shall not be used for any nonmanufacturing project that does not



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1 meet the wage standard for the development tier area or zone in which the
2 project is located. There is no wage standard for a development tier one area.
3 If an urban progress zone or an agrarian growth zone is not in a development
4 tier one area, then the wage standard for that zone is an average weekly wage
5 that is at least equal to ninety percent (90%) of the lesser of the average wage
6 for all insured private employers in the State and the average wage for all
7 insured private employers in the county in which the project is located. The
8 wage standard for a development tier two area or a development tier three area
9 is an average weekly wage that is at least equal to one hundred ten percent
10 (110%) of the lesser of the average wage for all insured private employers in
11 the State and ninety percent (90%) of the average wage for all insured private
12 employers in the county in which the project is located.

13 (7) Priority for the use of funds shall be given to eligible industries.

14 (a1) Definitions. – The following definitions apply in this section:

15 ...

16 (4) Economically distressed county. – A county that is ~~defined as a development~~
17 ~~tier one or two area~~ has one of the 87 highest rankings under
18 G.S. 143B-437.08.

19 ...

20 (7) Major economic dislocation. – The actual or imminent loss of 500 or more
21 manufacturing jobs in the county or of a number of manufacturing jobs equal
22 to at least ten percent (10%) of the existing manufacturing workforce in the
23 county.

24"

25 **SECTION 2.** This act is effective when it becomes law.