

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 1122*

Short Title: Economic Development Funds.

(Public)

Sponsors: Senators Ballance; Richardson, Edwards, Hunt, Martin of Guilford, Lee, and Jordan.

Referred to: Appropriations.

May 11, 1993

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS FOR ECONOMIC DEVELOPMENT
2 PROJECTS AND ACTIVITIES WITHIN THE STATE'S MINORITY
3 COMMUNITY.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. (a) There is appropriated from the General Fund to the Rural
7 Economic Development Center, Inc., the sum of three million dollars (\$3,000,000) for
8 the 1993-94 fiscal year and the sum of three million dollars (\$3,000,000) for the 1994-
9 95 fiscal year, to be allocated for grants to local community development corporations
10 as defined in subsection (c) of this section. These funds shall be used to support
11 community development projects and activities within the State's minority community.

12 (b) Any community development corporation as defined in subsection (c) of this
13 section is eligible to apply for funds under this section. The Rural Economic
14 Development Center, Inc., shall decide whether an applying community development
15 corporation will receive a grant and the amount of the grant. In making this decision,
16 the Rural Economic Development Center, Inc., shall establish and implement
17 performance-based criteria and award grants to community development corporations
18 based on past performance and demonstrated capacity to engage in community
19 development projects and activities. The Rural Economic Development Center, Inc.,
20 shall establish and implement criteria for newly created community development
21 corporations to receive grants, based on the community development corporations'
22 potential to leverage community development projects in their communities.

1 The Rural Economic Development Center, Inc., shall report quarterly to the
2 Joint Legislative Commission on Governmental Operations on the use of the funds
3 allocated in this section.

4 (c) For purposes of this section, the term "community development corporation"
5 means a nonprofit corporation:

- 6 (1) Chartered pursuant to Chapter 55A of the General Statutes;
- 7 (2) Tax-exempt pursuant to section 501(c) (3) of the Internal Revenue
8 Code of 1986;
- 9 (3) Whose primary mission is to develop and improve low-income
10 communities and neighborhoods through economic and related
11 development;
- 12 (4) Whose activities and decisions are initiated, managed, and controlled
13 by the constituents of those local communities; and
- 14 (5) Whose primary function is to act as deal-maker and packager of
15 projects and activities that will increase their constituencies'
16 opportunities to become owners, managers, and producers of small
17 businesses, affordable housing, and jobs designed to produce positive
18 cash flow and curb blight in the target community.

19 The term "community development corporation" does not include nonprofit
20 organizations whose sole purpose is to provide housing to neighborhoods or technical
21 assistance to other nonprofit organizations.

22 Sec. 2. There is appropriated from the General Fund to the North Carolina
23 Association of Community Development Corporations, Inc., the sum of five hundred
24 thousand dollars (\$500,000) for the 1993-94 fiscal year and the sum of five hundred
25 thousand dollars (\$500,000) for the 1994-95 fiscal year to support project activities and
26 to fund the North Carolina Association of Community Development Corporations' loan
27 fund. The North Carolina Association of Community Development Corporations shall
28 report quarterly to the Joint Legislative Commission on Governmental Operations on
29 the use of the funds allocated in this section.

30 Sec. 3. There is appropriated from the General Fund to the North Carolina
31 Association of Black Lawyers' Land Loss Prevention Project, Inc., the sum of seven
32 hundred thousand dollars (\$700,000) for the 1993-94 fiscal year and the sum of seven
33 hundred thousand dollars (\$700,000) for the 1994-95 fiscal year to provide free legal
34 representation to low-income financially distressed small farmers. The Land Loss
35 Prevention Project shall not use these funds to represent farmers who have income and
36 assets that would make them financially ineligible for legal services pursuant to Title
37 45, Part 1611 of the Code of Federal Regulations. The Land Loss Prevention Project
38 shall report quarterly to the Joint Legislative Commission on Governmental Operations
39 on the use of these funds.

40 Sec. 4. There is appropriated from the General Fund to the North Carolina
41 Coalition of Farm and Rural Families, a nonprofit corporation, the sum of five hundred
42 thousand dollars (\$500,000) for the 1993-94 fiscal year and the sum of five hundred
43 thousand dollars (\$500,000) for the 1994-95 fiscal year for its Small Farm Economic
44 Development Project. These funds shall be used to foster economic development within

1 the State's rural farm communities by offering financial, marketing, and technical
2 assistance to small and limited resource farmers. The North Carolina Coalition of Farm
3 and Rural Families shall report quarterly to the Joint Legislative Commission on
4 Governmental Operations on the use of these funds.

5 Sec. 5. There is appropriated from the General Fund to the North Carolina
6 Institute of Minority Economic Development, a nonprofit corporation, the sum of five
7 hundred fifty thousand dollars (\$550,000) for the 1993-94 fiscal year and the sum of
8 five hundred fifty thousand dollars (\$550,000) for the 1994-95 fiscal year to foster
9 minority economic development within the State through policy analysis, information
10 and technical assistance, and resource expansion. The North Carolina Institute of
11 Minority Economic Development shall:

- 12 (1) Research and identify key issues affecting the economic well-being of
13 the State's ethnic minority community and issue annual reports with
14 appropriate recommendations;
- 15 (2) Provide information and technical assistance to organizations with
16 minority economic development-based projects in common areas of
17 need and interests;
- 18 (3) Develop a resource bank of data and information;
- 19 (4) Facilitate training in appropriate areas of need; and
- 20 (5) Provide technical assistance to minority construction contractors.

21 The North Carolina Institute of Minority Economic Development shall report
22 quarterly to the Joint Legislative Commission on Governmental Operations on the use
23 of these funds.

24 Sec. 6. There is appropriated from the General Fund to the Rural Economic
25 Development Center, Inc., the sum of one million five hundred thousand dollars
26 (\$1,500,000) for the 1993-94 fiscal year and the sum of one million five hundred
27 thousand dollars (\$1,500,000) for the 1994-95 fiscal year to be allocated to local
28 minority-owned and operated credit unions. These funds shall be used to foster
29 minority economic development within the State by increasing the lending capacity of
30 minority-owned and operated credit unions.

31 Sec. 7. There is appropriated from the General Fund to the Rural Economic
32 Development Center, Inc., the sum of three hundred thousand dollars (\$300,000) for the
33 1993-94 fiscal year and the sum of three hundred thousand dollars (\$300,000) for the
34 1994-95 fiscal year to be allocated to the North Carolina Minority Credit Union Support
35 Center, Inc., for operational and administrative support. The Rural Economic
36 Development Center, Inc., shall report quarterly to the Joint Legislative Commission on
37 Governmental Operations on the use of these funds.

38 Sec. 8. There is appropriated from the General Fund to the Rural Economic
39 Development Center, Inc., the sum of six hundred fifty thousand dollars (\$650,000) for
40 the 1993-94 fiscal year and the sum of six hundred fifty thousand dollars (\$650,000) for
41 the 1994-95 fiscal year to support and expand operations of the Microenterprise Loan
42 Program. The Rural Economic Development Center, Inc., shall report quarterly to the
43 Joint Legislative Commission on Governmental Operations on the use of these funds.

1 Sec. 9. There is appropriated from the General Fund to the North Carolina
2 Association of Community Development Corporations, Inc., the sum of one million five
3 hundred thousand dollars (\$1,500,000) for the 1993-94 fiscal year and one million five
4 hundred thousand dollars (\$1,500,000) for the 1994-95 fiscal year to create and
5 administer a predevelopment and equity loan fund. These funds shall be used to foster
6 minority economic development within the State by increasing the lending capacity of
7 minority-owned and operated financial institutions, working as a consortium. The
8 North Carolina Association of Community Development Corporations shall report
9 quarterly to the Joint Legislative Commission on Governmental Operations on the use
10 of these funds.

11 Sec. 10. There is appropriated from the General Fund to the Rural Economic
12 Development Center, Inc., the sum of eighty thousand dollars (\$80,000) for the 1993-94
13 fiscal year and the sum of eighty thousand dollars (\$80,000) for the 1994-95 fiscal year
14 to cover expenses in administering this act. The Office of State Budget and
15 Management shall allot the funds appropriated in Sections 6 and 8 of this act within 30
16 working days after receiving the Center's request for the funds. The Rural Economic
17 Development Center, Inc., shall distribute the funds appropriated in Sections 6 and 8 of
18 this act immediately upon allotment by the Office of State Budget and Management.

19 Sec. 11. The Rural Economic Development Center, Inc., shall not distribute
20 funds appropriated in Sections 1, 6, 7, and 8 of this act until the entities eligible to
21 receive funds under those sections have met the requirements of G.S. 143-6.1.

22 Sec. 12. This act becomes effective July 1, 1993.