

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015**

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**HOUSE BILL 790**

Short Title: Study/Adapt Start-Up NY Program. (Public)

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Sponsors: Representatives R. Moore, Saine, Hanes, and Cotham (Primary Sponsors).  
*For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.*

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Referred to: Rules, Calendar, and Operations of the House.

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April 15, 2015

A BILL TO BE ENTITLED  
AN ACT TO STUDY THE START-UP NY PROGRAM AND ADAPT IT FOR PURPOSES  
OF ECONOMIC DEVELOPMENT WITHIN THE STATE OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

**SECTION 1.** The Joint Legislative Economic Development and Global Engagement Oversight Committee ("Committee") shall study the topic listed in this act and report its findings, together with any recommended legislation, to the 2016 Regular Session of the 2015 General Assembly upon its convening.

**SECTION 2.** START-UP Programs – The Committee shall study the tax benefits and economic incentives offered by the State of New York with the START-UP NY Program for purposes of evaluating the cost, need, benefit, and efficacy of the offered incentives. The study shall examine at least all of the following:

- (1) The identification and approval of tax-free zones on or near college or university campuses for new businesses, including means by which vacant or underutilized assets are identified and used in the program.
- (2) Means by which new businesses may locate in tax-free zones and align and collaborate with colleges or universities in the State to incubate products, inventions, and discoveries by the colleges or universities that have commercial potential or value.
- (3) Types of industries and businesses that may participate in the program to maximize programmatic commercial, economic, and academic benefits.
- (4) The types of taxes that participating businesses should be exempt from and the extent to which the exemption should extend to related members, independent contractors, employees, and other associated persons.
- (5) Requirements to be eligible for participation in the program, application for participation in the program, and selection of program participants, including the means by which colleges or universities have input in these processes.
- (6) Criteria used to determine the location, size, and aggregate amount of tax-free zones in the State.
- (7) Programmatic features and performance benchmarks, including at a minimum, the number of new jobs created, the schedule for job creation, job titles, and expected salaries, to protect the State's investment, to allow for clawbacks in the event of misfeasance or nonfeasance by a participating business, to ensure the creation in the marketplace of high-value jobs, and to



- 1 maximize the potential of economic development at the local and State  
2 levels.
- 3 (8) Appropriate methods of allocating intellectual property rights as well as  
4 proceeds of successful commercialization of products, innovations, or  
5 inventions.
- 6 (9) Predetermined access to records of participating businesses and minimum  
7 reporting requirements to allow meaningful oversight of the program.
- 8 (10) Creation of guidelines regarding anti-competitive behavior, conflicts of  
9 interest, and ethics requirements for participating businesses and colleges or  
10 universities.
- 11 (11) The minimum and maximum periods of time for which tax benefits under  
12 the program are available to participating businesses.
- 13 (12) Any other issue determined by the Committee to be relevant.
- 14 **SECTION 3.** This act is effective when it becomes law.