

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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**HOUSE BILL 258*
Committee Substitute Favorable 3/13/19
Committee Substitute #2 Favorable 3/27/19**

Short Title: Expand Eligibility for Utility Account.

(Public)

Sponsors:

Referred to:

March 5, 2019

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

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

5 "**§ 143B-437.01. Industrial Development Fund Utility Account.**

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

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

24 (1a) The funds shall be used for projects located in economically distressed
25 counties except that the Secretary of Commerce may use up to one hundred
26 thousand dollars (\$100,000) to provide emergency economic development
27 assistance in any county that is documented to be experiencing a major
28 economic dislocation.

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

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

34 ...



- 1 (6) The funds shall not be used for any retail, entertainment, or sports projects.
 2 The funds shall not be used for any nonmanufacturing project that does not
 3 meet the wage standard for the development tier area or zone in which the
 4 project is located. There is no wage standard for a development tier one area.
 5 If an urban progress zone or an agrarian growth zone is not in a development
 6 tier one area, then the wage standard for that zone is an average weekly wage
 7 that is at least equal to ninety percent (90%) of the lesser of the average wage
 8 for all insured private employers in the State and the average wage for all
 9 insured private employers in the county in which the project is located. The
 10 wage standard for a development tier two area or a development tier three area
 11 is an average weekly wage that is at least equal to one hundred ten percent
 12 (110%) of the lesser of the average wage for all insured private employers in
 13 the State and ninety percent (90%) of the average wage for all insured private
 14 employers in the county in which the project is located.
- 15 (7) Priority for the use of funds shall be given to eligible industries.
- 16 (a1) Definitions. – The following definitions apply in this section:
 17 ...
 18 (4) Economically distressed county. – A county ~~that is defined as a development~~
 19 ~~tier one or two area under G.S. 143B-437.08.~~ with total employment of less
 20 than 500,000. In measuring total employment, the Secretary shall use the latest
 21 available data published by the Quarterly Census of Employment and Wages
 22 program.
 23 ...
 24 (7) Major economic dislocation. – The actual or imminent loss of 500 or more
 25 manufacturing jobs in the county or of a number of manufacturing jobs equal
 26 to at least ten percent (10%) of the existing manufacturing workforce in the
 27 county.
 28 "
- 29 **SECTION 2.** This act is effective when it becomes law.