

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1288*
Corrected Copy 3/30/07

Short Title: Economic Development Funds - COG. (Public)

Sponsors: Senators Snow; and Atwater.

Referred to: Appropriations/Base Budget.

March 26, 2007

A BILL TO BE ENTITLED

1 AN ACT APPROPRIATING FUNDS TO REGIONAL COUNCILS OF
2 GOVERNMENT TO ASSIST LOCAL GOVERNMENTS ON A REGIONAL
3 BASIS IN THE AREAS OF ECONOMIC DEVELOPMENT, COMMUNITY
4 DEVELOPMENT, INFRASTRUCTURE, AND OTHER SIGNIFICANT LOCAL
5 NEEDS AND TO PROVIDE TARGETED ASSISTANCE TO AID LOCAL
6 GOVERNMENTS IN DISTRESSED COUNTIES WITH ECONOMIC
7 RECOVERY.
8

9 Whereas, North Carolina's regional councils of government have provided
10 effective assistance to local governments in every region of the State; and

11 Whereas, regional councils of government have been successful in leveraging
12 the annual State appropriations into an impressive level of State and federal grants to
13 benefit communities and citizens across the State and have used the annual State
14 appropriation of \$832,150 to obtain more than \$44 million in State and federal grants
15 each year; and

16 Whereas, North Carolina's regional councils of government bring local
17 governments together to deal with economic growth and other common needs on a
18 regional scale, playing a valuable role in bridging the gaps between rural and urban
19 areas, as local governments' needs have expanded, especially in economically distressed
20 counties and in growth areas; and

21 Whereas, regional councils of government help strengthen the attractiveness
22 of North Carolina to businesses, tourists, and residents by assisting local governments
23 with community development and economic development strategies, infrastructure,
24 workforce, rural transportation, and other quality of life improvements but do not
25 conflict with Regional Economic Development Partnerships whose main role is
26 recruiting major industry; and

27 Whereas, regional councils of government are in an ideal position to help
28 local governments in the State's most distressed areas develop and carry out projects to
29 change economic conditions and restore hope to these communities; Now, therefore,

1 The General Assembly of North Carolina enacts:

2 **SECTION 1.** There is appropriated from the General Fund to the
3 Department of Commerce the sum of one million seven hundred thousand dollars
4 (\$1,700,000) for each year of the 2007-2009 fiscal biennium. Funds appropriated under
5 this section shall be allocated to regional councils of government or lead regional
6 organizations as provided by this section. Each regional council of government or lead
7 regional organization is allocated one hundred thousand dollars (\$100,000) for each
8 year of the 2007-2009 fiscal biennium.

9 **SECTION 2.** A regional council of government may use funds appropriated
10 by Section 1 of this act only to assist local governments in grant applications, economic
11 development, community development, support of local industrial development
12 activities, infrastructure and water resource development, and other activities as deemed
13 appropriate by the member governments.

14 **SECTION 3.** In addition to the appropriation made under Section 1 of this
15 act, there is appropriated from the General Fund to the Department of Commerce the
16 sum of eight hundred twenty thousand dollars (\$820,000) to be allocated to regional
17 councils of government to assist local government in development tier one areas, as
18 defined in G.S. 143B-437.08. The Department shall allocate to regional councils of
19 government the sum of twenty thousand dollars (\$20,000) for each tier one county
20 within its region. Funds appropriated under this section shall be used only to assist local
21 governments with planning, developing, and implementing economic development
22 projects that are identified by those local governments as priorities critical to help them
23 with economic recovery and to improve job and investment growth.

24 **SECTION 4.** Funds appropriated by this act shall be paid by electronic
25 transfer in two equal installments each year, the first no later than September 1 of each
26 year and the second subsequent to acceptable submission of the annual report due to the
27 Joint Legislative Commission on Governmental Operations and the Fiscal Research
28 Division by February 15 of each year as specified in Section 6 of this act.

29 **SECTION 5.** Funds appropriated in this act shall not be used for payment of
30 dues or assessments by the member governments and shall not supplant funds
31 appropriated by the member governments.

32 **SECTION 6.** Each regional council of government or lead regional
33 organization shall do the following:

- 34 (1) By February 15, 2008, and more frequently as requested, report to the
35 Joint Legislative Commission on Governmental Operations and the
36 Fiscal Research Division the following information:
- 37 a. State fiscal year 2006-2007 program activities, objectives, and
38 accomplishments;
 - 39 b. State fiscal year 2006-2007 itemized expenditures and fund
40 sources;
 - 41 c. State fiscal year 2007-2008 planned activities, objectives, and
42 accomplishments, including actual results through December
43 31, 2007; and

- 1 d. State fiscal year 2007-2008 estimated itemized expenditures
2 and fund sources, including actual expenditures and fund
3 sources through December 31, 2007.
- 4 (2) By February 15, 2009, and more frequently as requested, report to the
5 Joint Legislative Commission on Governmental Operations and the
6 Fiscal Research Division the following information:
- 7 a. State fiscal year 2007-2008 program activities, objectives, and
8 accomplishments;
- 9 b. State fiscal year 2007-2008 itemized expenditures and fund
10 sources;
- 11 c. State fiscal year 2008-2009 planned activities, objectives, and
12 accomplishments, including actual results through December
13 31, 2008; and
- 14 d. State fiscal year 2008-2009 estimated itemized expenditures
15 and fund sources, including actual expenditures and fund
16 sources through December 31, 2008.
- 17 (3) Provide to the Fiscal Research Division a copy of the organization's
18 annual audited financial statement within 30 days of issuance of the
19 statement.

20 **SECTION 7.** This act becomes effective July 1, 2007.