

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 1761 (Third Edition)

SHORT TITLE: Job Maintenance and Capital Development Fund.

SPONSOR(S):

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
REVENUES:					
EXPENDITURES:	\$0	\$3,500,000	***See Assumptions and Methodology***		
POSITIONS (cumulative):	0				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Commerce					
EFFECTIVE DATE: July 1, 2007					

BILL SUMMARY: HB1761 creates a new economic development fund to be administered by the Department of Commerce called the Job Maintenance and Capital Development Fund. Existing North Carolina businesses investing at least \$200 million in private money within a five-year period will be eligible for grants from the fund. The project must be located in a tier one county, and must employ at least 2,400 full-time employees at the time the grant application is made. The Department of Commerce will be responsible for developing criteria for and awarding of the grants. All grant agreements must include clawback provisions in the event the business does not meet specified performance criteria.

ASSUMPTIONS AND METHODOLOGY: The bill appropriates \$3.5 million to the Job Maintenance and Capital Development Fund for FY 2008-09 to be administered by the Department of Commerce. Annual aggregate costs resulting from grants made through this program are limited to \$3.5 million per year; total aggregate costs are limited to \$35 million. The Department currently administers several economic development programs through the Commerce Finance Division. Given the relatively small scale of this new fund, the Department should not require additional staff to administer it. However, funding for additional staff may be required in later years if the General Assembly increases the appropriation for the Fund.

SOURCES OF DATA:

TECHNICAL CONSIDERATIONS: None

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