A BILL TO BE ENTITLED
AN ACT ENCOURAGING THE ESTABLISHMENT OF BRIGHT MARKETS BY
ENABLING THE LEASE OF ADDITIONAL DIGITAL INFRASTRUCTURE
NECESSARY FOR ECONOMIC DEVELOPMENT AND INNOVATION IN KEY
MARKETS, INCLUDING BROADBAND, RETAIL ONLINE SERVICES, INTERNET
OF THINGS, GRIDPOWER, HEALTH CARE, AND TRAINING AND EDUCATION.

Whereas, North Carolina's population of residents living in rural areas is the second
largest of any state, with more than 3.3 million people living in the 85 counties considered
rural; and

Whereas, these areas have historically been last to receive the necessary investment
for the infrastructure required to support advances in economic development, including
investment for basic roads, water, electricity, or telephone service, requiring public and private
leaders to develop new and innovative approaches or business models to encourage or assist in
the development of this infrastructure; and

Whereas, the rapid advances in gigabit connectivity and automation threaten the
economic viability of these areas if steps are not taken to develop the digital infrastructure
necessary to allow those in rural areas to take advantage of digitally integrated products and
services; and

Whereas, the General Assembly has previously looked to local solutions, like
member-owned utilities and public-private partnerships, as an effective way to provide for the
development of the infrastructure necessary to support economic development in rural and
underserved areas; and

Whereas, the General Assembly has long recognized that digital computing and
communications technology is the key element of infrastructure for connecting each person to
the economic development opportunities of the twenty-first century and has taken steps to
directly advance the development and use of this infrastructure where possible through
programs like the School Connectivity Initiative and Digital Learning Plan; Now, therefore,
The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-272 reads as rewritten:
"§ 160A-272. Lease or rental of property.
(a) Any property owned by a city may be leased or rented for such terms and upon such
conditions as the council may determine, but not for longer than 10 years (except as otherwise
provided in subsection (b1) of this section) and only if the council determines that the property
will not be needed by the city for the term of the lease. In determining the term of a proposed
lease, periods that may be added to the original term by options to renew or extend shall be
included.
(a) Property may be rented or leased only pursuant to a resolution of the council authorizing the execution of the lease or rental agreement adopted at a regular council meeting upon 30 days' public notice. Notice shall be given by publication describing the property to be leased or rented, stating the annual rental or lease payments, and announcing the council's intent to authorize the lease or rental at its next regular meeting.

(b) No public notice as required by subsection (a1) of this section need be given for resolutions authorizing leases or rentals for terms of one year or less, and the council may delegate to the city manager or some other city administrative officer authority to lease or rent city property for terms of one year or less.

(b1) Leases for terms of more than 10 years shall be treated as a sale of property and may be executed by following any of the procedures authorized for sale of real property.

(c) Notwithstanding subsection (b1) of this section, the council may approve a lease without treating that lease as a sale of property for any of the following reasons:

   (1) For the siting and operation of a renewable energy facility, as that term is defined in G.S. 62-133.8(a)(7), for a term up to 25 years.

   (2) For the siting and operation of a tower, as that term is defined in G.S. 146-29.2(a)(7), for communication purposes for a term up to 25 years.

   (3) For the operation and use of components of a wired or wireless network, for a term up to 25 years.

(d) Notwithstanding subsection (a) of this section, any lease by a city of any duration for components of a wired or wireless network shall be entered into on a competitively neutral and nondiscriminatory basis and made available to similarly situated providers on comparable terms and conditions and shall not be used to subsidize the provision of competitive service."

SECTION 2.(a) G.S. 160A-272.1 reads as rewritten:

"§ 160A-272.1. Lease of utility or enterprise property.
Subject to this Article and G.S. 160A-321, a city-owned utility or public service enterprise, or part thereof, may be leased."

SECTION 2.(b) G.S. 160A-321 reads as rewritten:

(a) A city is authorized to sell or lease as lessor any public enterprise that it may own upon any terms and conditions that the council may deem best. However, except as to transfers to another governmental entity pursuant to G.S. 160A-274 or as provided in subsection (b) of this section, a city-owned public enterprise shall not be sold, leased to another, or discontinued unless the proposal to sell, lease, or discontinue is first submitted to a vote of the people and approved by a majority of those who vote thereon. Voter approval shall not be required for the sale, lease, or discontinuance of airports, off-street parking systems and facilities, or solid waste collection and disposal systems.

(b) For the sale, lease, or discontinuance of water treatment systems, water distribution systems, or wastewater collection and treatment systems, a city may, but is not required to, submit to its voters the question of whether such sale, lease, or discontinuance shall be undertaken. The referendum is to be conducted pursuant to the general and local laws applicable to special elections in such city.

(c) Notwithstanding subsections (a) and (b) of this section, a city may lease a part of the city-owned public enterprise to be operated and used as component of a wired or wireless network without a vote of the people. Any lease under this subsection shall be subject to Article 12 of this Chapter."

SECTION 3.(a) Article 23 of Chapter 153A of the General Statutes is amended by adding a new section to read:

"§ 153A-458. Authority to construct internal communications."
A county shall have the authority to purchase, lease, construct, and operate facilities to support intragovernmental services for the county's internal governmental purposes, including wired or wireless network facilities."

SECTION 3.(b) G.S. 143-128.1C is amended by adding a new subsection to read:

"(n) For purposes of this section, the term "public-private project" shall also include a capital improvement project undertaken for the benefit of a city or county pursuant to a development contract that includes construction of components of a wired or wireless network in conjunction with or part of another construction project undertaken by the city or county. Nothing in this subsection authorizes a city or county to unilaterally provide high-speed Internet broadband service, or infrastructure needed to support broadband, computing, and communications components."

SECTION 5. G.S. 143B-472.80 is amended by adding a new subdivision to read:

"§ 143B-472.80. North Carolina Board of Science, Technology, and Innovation; creation; powers and duties.

The North Carolina Board of Science, Technology, and Innovation of the Department of Commerce is created. The Board has the following powers and duties:

…

(5) On or before July 1, 2017, and annually on January 1 thereafter, the Board shall report to the Governor, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Natural and Economic Resources, the Fiscal Research Division, the Secretary of Commerce, and any North Carolina nonprofit corporation with which the Department of Commerce contracts pursuant to G.S. 143B-431.01 on the impact that technology and innovation in the BRIGHT Markets is having on economic growth and development in this State, including recommendations for increasing that impact. As used in this subdivision, the term "BRIGHT Markets" means the following market segments: broadband, retail online services, the Internet of things, the power grid, health care, and training and education. The report shall include:

a. An evaluation of the impact of the North Carolina Providing Access to Capital for Entrepreneurs and Small Businesses Act in S.L. 2016-103 on investment in BRIGHT Market enterprises for the previous reporting year and recommendations for increasing that impact.

b. Recommendations for the establishment and funding of a BRIGHT Futures Innovation Fund, to be administered by the Office of Science, Technology, and Innovation of the Department of Commerce, that would be funded for at least five years to be used to provide annual grants or loans to accelerate innovation by and investment in enterprises in BRIGHT Market segments."

SECTION 6. G.S. 115D-5.1(f) reads as rewritten:

"§ 115D-5.1. Workforce Development Programs.

…

(f) The State Board shall report on an annual basis to the Joint Legislative Education Oversight Committee on all of the following:

(1) The total amount of funds received by a company under the Customized Training Program.

(1a) The types of services sought by the company, whether for new, expanding, or existing industry.

(2) The amount of funds per trainee received by that company."
The amount of funds received per trainee by the community college delivering the training.

The number of trainees trained by the company and community college.

The number of years that company has been funded.

An assessment of how the Customized Training Program has been used to support companies in BRIGHT Market segments, including recommendations on how these efforts can be expanded or aligned with nondegree certification programs to increase employment in jobs shown in the NCWorks Online system that require those nondegree certifications. As used in this subdivision, the term "BRIGHT Market" means the following market segments: broadband, retail online services, the Internet of things, the power grid, health care, and training and education."

SECTION 7. G.S. 143B-438.14 is amended by adding a new subsection to read:


... (e) On or before July 1, 2017, and annually on January 1 thereafter, the NCWorks Commission shall submit to the Governor and to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal Research Division the following regarding BRIGHT Market segments, which phrase means broadband, retail online services, the Internet of things, the power grid, health care, and training and education:

(1) An assessment of current adult educational programs to expand economic opportunities for adult workers in BRIGHT Market segments.

(2) An evaluation of nondegree certifications, as reflected in the NCWorks Online system, that are being offered, including recommendations for how certification programs can be expanded, accelerated, and made more readily accessible.

(3) An evaluation of how data in the NCWorks Online system is made available for use in conjunction with other workforce and education data in systems operated by other State agencies, including the Department of Information Technology. The evaluation shall include recommendations for how information can be more readily shared with public and private enterprises through application interfaces and open data frameworks to accelerate and increase employment in the BRIGHT Market segments."

SECTION 8. Section 15.1 of S.L. 2016-94 is amended by adding two new subsections to read:

"SECTION 15.1.(e) On or before July 1, 2017, the Department of Commerce shall supplement the report submitted pursuant to subsection (b) of this section with all of the following:

(1) An evaluation of the impact of the inclusion of digital infrastructure in G.S. 143-128.1C on the ability of individuals and communities to pursue public-private partnerships to develop digital infrastructure in underserved areas and recommendations on how to accelerate development efforts.

(2) An evaluation of whether funds allocated for downtown revitalization projects can or should be used to support the development of digital infrastructure.

(3) Recommendations for ways the Rural Economic Development Division, North Carolina Rural Electrification Authority, Labor Force Development Council, Rural Infrastructure Authority, Community Assistance Division,
Employment and Training Division, Job Training Coordinating Council, along with the Departments of Information Technology, Department of Environmental Quality, Department of Labor, Department of Health and Human Services, Department of Public Instruction, North Carolina Community College System, The University of North Carolina, and the North Carolina Independent Colleges and Universities to align the resources and programs targeted at and available to connect people in rural communities with the opportunities presented by the growth in the BRIGHT Market segments.

"SECTION 15.1.(f) As used in subsection (e) of this section, the following meanings apply:

(1) BRIGHT Market means the following market segments: broadband, retail online services, the Internet of things, the power grid, health care, and training and education.

(2) Digital infrastructure means the components of a wired or wireless network."

SECTION 9. This act becomes effective July 1, 2017, and applies to contracts entered into on or after that date.