

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1173

Short Title: Economic Development District.

(Public)

Sponsors: Representative Creech.

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

April 10, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE ECONOMIC DEVELOPMENT AND TRAINING
3 DISTRICTS.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. Article 16 of Chapter 153A of the General Statutes is amended
6 by adding a new Part to read:

7 "Part 3. Economic Development and Training Districts.

8 "**§ 153A-317.11. Purpose for which districts may be created.**

9 The board of commissioners of any county may define a county economic
10 development and training district to finance, provide, and maintain for the district a
11 skills training center in cooperation with its community college branch in or for the
12 county to prepare residents of the county to perform manufacturing, research and
13 development, and related service and support jobs in the pharmaceutical, biotech, life
14 sciences, chemical, telecommunications, and electronics industries, and allied, ancillary,
15 and subordinate industries, to provide within the district any of the education, training,
16 and related services, facilities, or functions that a county or a city is authorized by
17 general law to provide, finance, or maintain, and to promote economic development in
18 the county. The skills training center and related services shall be financed, provided, or
19 maintained in the district either in addition to or to a greater extent than training
20 facilities and services are financed, provided, or maintained in the entire county.

21 "**§ 153A-317.12. Definition of economic development and training district.**

22 (a) Standards. – The board of commissioners may by resolution establish an
23 economic development and training district for an area or areas of the county that, at the
24 time the resolution is adopted, meet the following standards:

- 25 (1) All of the real property in the district primarily is being used for, or is
26 subject to, a declaration of covenants, conditions, and restrictions that
27 limits its use primarily to biotech processing, chemical manufacturing,
28 pharmaceutical manufacturing, electronics manufacturing,
29 telecommunications manufacturing, and any allied, ancillary, or

- 1 subordinate uses including, without limitation, any research and
2 development facility, headquarters or office, temporary lodging
3 facility, restaurant, warehouse, or transportation or distribution facility.
4 (2) The district includes at least two pharmaceuticals manufacturing or
5 bio-processing facilities occupying sites in the district containing in the
6 aggregate at least 425 acres owned by publicly held corporations.
7 (3) The bio-processing and pharmaceuticals manufacturing facilities in the
8 district employ in the aggregate at least 1,600 persons.
9 (4) The district includes an additional noncontiguous parcel of at least 60
10 acres now or formerly owned by an airport authority and containing an
11 industrial park.
12 (5) The district's zoning classifications permit the uses listed above.
13 (6) All real property in the district is either unimproved or is being used
14 primarily for pharmaceutical, biotech, life sciences, chemical,
15 telecommunications, or electronics manufacturing or processing or
16 allied, ancillary, or subordinate uses.
17 (7) The district includes a skills training center situated on a tract
18 containing not less than 25 acres, which facility shall be designed and
19 staffed to provide relevant training to prepare existing or prospective
20 employees of targeted industries for jobs in one or more of the
21 pharmaceutical, biotech, life sciences, chemical, telecommunications,
22 and electronics industries and allied, ancillary, or subordinate
23 industries, or in the alternative, the board of commissioners shall have
24 resolved to develop and finance a skills training center as described
25 above.
26 (8) At the date of creation, no part of the district lies within the boundaries
27 of any incorporated city or town.
28 (9) There exists a uniform set of covenants, conditions, restrictions, and
29 reservations that applies to all real property in the district other than
30 property owned by the federal, State, or local government.
31 (10) There exists in the district an association of owners and tenants to
32 which owners of real property representing at least fifty percent (50%)
33 of the assessed value of real property in the district belong, which
34 association can make the recommendations provided for in G.S.
35 153A-317.13.
36 (11) A petition requesting creation of the district signed by owners of real
37 and personal property in the district who own real and personal
38 property representing at least fifty percent (50%) of the total assessed
39 value of the real and personal property in the district has been
40 presented to the board of commissioners. In determining the assessed
41 value of real and personal property in the district and the owners of
42 real property, there shall be excluded: (i) real property exempted from
43 taxation and real property classified and excluded from taxation and
44 (ii) the owners of such exempted or classified and excluded property.

1 Assessed value shall mean the most recent values determined by the
2 county for the imposition of taxes on real and personal property.

3 (b) Findings. – The board of commissioners may establish an economic
4 development and training district if, upon the information and evidence it receives, the
5 board determines that:

6 (1) The proposed district meets the standards set forth in subsection (a) of
7 this section;

8 (2) Economic development of the county will be served by providing
9 selected skills training in a facility designed specifically to address the
10 needs of targeted industries such as pharmaceuticals, biotech
11 processing, telecommunications, electronics, and allied, ancillary, or
12 subordinate supplies or services to induce existing industries and
13 targeted industries to improve and expand their facilities and new
14 industries to locate facilities in the district, thereby providing
15 employment opportunities for the residents of the county;

16 (3) It is impossible or impractical to provide training facilities and services
17 on a countywide basis to all existing and future employers in the
18 county to the same extent as such training services are intended to be
19 furnished within the district; and

20 (4) It is economically feasible to provide the proposed training facilities
21 and services in the district without unreasonable or burdensome tax
22 levies.

23 (c) Report. – Before the public hearing required by subsection (c) of this section,
24 the board of commissioners shall cause to be prepared a report containing:

25 (1) A map of the proposed district showing its proposed boundaries;

26 (2) A statement showing that the proposed district meets the standards set
27 out in subsection (a) of this section; and

28 (3) A plan for providing the skills training center and training services to
29 the district.

30 The report shall be available for public inspection in the office of the clerk to the board
31 for at least four weeks before the date of the public hearing.

32 (d) Hearing and Notice. – The board of commissioners shall hold a public
33 hearing before adopting any resolution defining a district under this section. Notice of
34 the hearing shall state the date, hour, and place of the hearing and its subject and shall
35 include a map of the proposed district and a statement that the report required by
36 subsection (c) of this section is available for public inspection in the office of the clerk
37 to the board. The notice shall be published at least once not less than one week before
38 the date of the hearing. In addition, it shall be mailed at least four weeks before the date
39 of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown
40 by the county tax records as of the preceding January 1 (and at the address shown
41 thereon) of all property located within the proposed district. The person designated by
42 the board to mail the notice shall certify to the board that the mailing has been
43 completed, and the certificate shall be conclusive in the absence of fraud.

1 (e) Effective Date. – The resolution creating a district shall take effect at the
2 beginning of a fiscal year commencing after its passage, as determined by the board of
3 commissioners.

4 **"§ 153A-317.13. Advisory committee.**

5 The board of commissioners, in the resolution establishing an economic
6 development and training district, shall also provide for an advisory committee for the
7 district. Such a committee shall have at least five members, serving terms as set forth in
8 the resolution. The resolution shall provide for the appointment or designation of a
9 chair. The board of commissioners shall appoint the members of the advisory
10 committee. Before making the appointments, the board shall request the association of
11 owners and tenants, required by G.S. 153A-317.12(a)(10), to submit a list of persons to
12 be considered for appointment to the committee; the association shall submit at least
13 two names for each appointment to be made. Except as provided in the next two
14 sentences, the board of commissioners shall make the appointments to the committee
15 from the list of persons submitted. The board of commissioners may make two
16 additional appointments of such other persons as the board of commissioners deems
17 appropriate. Whenever a vacancy occurs on the committee in a position filled by
18 appointment by the board of commissioners, the board, before filling the vacancy, shall
19 request the association to submit the names of at least two persons to be considered for
20 the vacancy; and the board shall fill the vacancy by appointing one of the persons so
21 submitted, except that if the vacancy is in a position appointed by the board of
22 commissioners under the preceding sentence of this section, the board of commissioners
23 shall fill the vacancy with such person as the board of commissioners deems
24 appropriate.

25 Each year, before adopting the budget for the district and levying the tax for the
26 district, the board shall request recommendations from the advisory committee as to the
27 type and level of services, facilities, or functions to be provided for the district for the
28 ensuing years. The board of commissioners shall, to the extent permitted by law, expend
29 the proceeds of any tax levied for the district in the manner recommended by the
30 advisory committee.

31 **"§ 153A-317.14. Extension of economic development and training districts.**

32 (a) Standards. – A board of commissioners may by resolution annex territory to
33 an economic development and training district upon finding that:

- 34 (1) The conditions, covenants, restrictions, and reservations required by
35 G.S. 153A-317.12(a)(1) that apply to all real property in the district,
36 other than property owned by the federal, State, or local government,
37 also apply or will apply to the property, other than property owned by
38 the federal government, to be annexed.
- 39 (2) One hundred percent (100%) of the owners of real property in the area
40 to be annexed have petitioned for annexation.
- 41 (3) The district, following the annexation, will continue to meet the
42 standards set out in G.S. 153A-317.12(a).
- 43 (4) The reasonably anticipated training needs of the existing companies in
44 the area to be annexed and of new companies that may locate within

1 the expanded area can be met by the skills training facility located in
2 the district.

3 (5) The area to be annexed is either contiguous to a lot, parcel, or tract of
4 land in the district or at least 500 acres in the aggregate counting all
5 parcels proposed for annexation. A property shall, for purposes of this
6 section, be deemed to be contiguous notwithstanding that it may be
7 separated from other property by a street, road, highway, right-of-way,
8 or easement.

9 (b) Report. Before the public hearing required by subsection (c) of this section,
10 the board shall cause to be prepared a report containing:

11 (1) A map of the district and the territory proposed to be annexed showing
12 the present and proposed boundaries of the district; and

13 (2) A statement that the area to be annexed meets the standards and
14 requirements of subsection (a) of this section.

15 The report shall be available for public inspection in the office of the clerk to the board
16 for at least four weeks before the date of the public hearing.

17 (c) Hearing and Notice. – The board shall hold a public hearing before adopting
18 any resolution extending the boundaries of a district. Notice of the hearing shall state
19 the date, hour, and place of the hearing and its subject and shall include a statement that
20 the report required by subsection (b) of this section is available for inspection in the
21 office of the clerk to the board. The notice shall be published at least once not less than
22 four weeks before the hearing. In addition, the notice shall be mailed at least four weeks
23 before the date of the hearing by any class of U.S. mail which is fully prepaid to the
24 owners as shown by the county tax records as of the preceding January 1 (and at the
25 address shown thereon) of all property located within the area to be annexed. The
26 person designated by the board to mail the notice shall certify to the board that the
27 mailing has been completed, and the certificate shall be conclusive in the absence of
28 fraud.

29 (d) Effective Date. – The resolution extending the boundaries of the district shall
30 take effect at the beginning of a fiscal year commencing after its passage, as determined
31 by the board.

32 **"§ 153A-317.15. Required provision or maintenance of skills training center.**

33 (a) New District. – When a county creates a district, it shall provide, maintain, or
34 let contracts for the skills training center for which the district is being taxed within a
35 reasonable time, not to exceed one year, after the effective date of the creation of the
36 district.

37 (b) Extended District. – When a territory is annexed to a district, the county shall
38 provide, maintain, or let contracts for any necessary additions to the skills training
39 center to provide the same training provided throughout the district to existing and new
40 industries in the area annexed to the district within a reasonable time, not to exceed one
41 year, after the effective date of the annexation.

42 **"§ 153A-317.16. Abolition of economic development and training districts.**

43 A board of county commissioners may by resolution abolish a district upon finding
44 that (i) a petition requesting abolition, signed by at least fifty percent (50%) of the

1 owners of real property in the district who own at least fifty percent (50%) of the real
2 and personal property in the district based upon the most recent valuation thereof, has
3 been submitted to the board; and (ii) there is no longer a need for such district. In
4 determining the total real and personal property in the district and the number of owners
5 of real and personal property, there shall be excluded: (1) property exempted from
6 taxation and real classified and excluded from taxation and (2) the owners of such
7 exempted or classified and excluded property. The board shall hold a public hearing
8 before adopting a resolution abolishing a district. Notice of the hearing shall state the
9 date, hour, and place of the hearing and its subject and shall be published at least once
10 not less than one week before the date of the hearing. The abolition of any district shall
11 take effect at the end of a fiscal year following passage of the resolution, as determined
12 by the board.

13 **"§ 153A-317.17. Taxes authorized; rate limitation.**

14 A county may levy property taxes within an economic development and training
15 district, in addition to those levied throughout the county, in order to finance, provide,
16 or maintain for the district a skills training center provided therein in addition to or to a
17 greater extent than worker training facilities provided for the entire county. In addition,
18 a county may allocate to a district any other revenues whose use is not otherwise
19 restricted by law. The proceeds of taxes within a district may be expended only to pay
20 annual debt service on up to one million two hundred thousand dollars (\$1,200,000) of
21 the capital costs of a skills training center provided for the district and any other
22 services or facilities provided by a county in response to a recommendation of an
23 advisory committee.

24 Property subject to taxation in a newly established district or in an area annexed to
25 an existing district is subject to taxation by the county as of the preceding January 1.

26 Such additional property taxes may not be levied within any district established
27 pursuant to this Article in excess of a rate of eight cents (8¢) on each one hundred
28 dollars (\$100.00) value of property subject to taxation."

29 **SECTION 2.** No municipality may annex pursuant to Part 2 or 3 of Article
30 4A of Chapter 160A of the General Statutes or under any procedure other than Part 1 or
31 4 of that Article any or all of the real property within an economic development and
32 training district established under Part 3 of Article 16 of Chapter 153A of the General
33 Statutes.

34 **SECTION 3.** This act is effective when it becomes law.