

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1416*
Committee Substitute Favorable 6/22/04

Short Title: Extend and Amend JDIG.

(Public)

Sponsors:

Referred to:

May 12, 2004

A BILL TO BE ENTITLED

1 AN ACT TO EXTEND THE SUNSET ON THE JOB DEVELOPMENT
2 INVESTMENT GRANT PROGRAM; TO ALLOW THE ECONOMIC
3 INVESTMENT COMMITTEE TO ENTER INTO MORE AGREEMENTS
4 UNDER THE PROGRAM; TO MAKE TECHNICAL CORRECTIONS; TO
5 EXPAND THE TERMS THAT MUST BE INCLUDED IN AGREEMENTS; TO
6 AUTHORIZE A STUDY OF THE PROGRAM BY THE GENERAL ASSEMBLY;
7 AND TO EASE REPORTING REQUIREMENTS.
8

9 The General Assembly of North Carolina enacts:

10 **SECTION 1.** G.S. 143B-437.62 reads as rewritten:

11 "**§ 143B-437.62. Authority. Sunset.**

12 The authority of the Committee to enter into new agreements ~~begins January 1,~~
13 ~~2003, and expires January 1, 2005-2007."~~

14 **SECTION 2.** G.S. 143B-437.52(b) reads as rewritten:

15 "(b) Cap. – The maximum number of agreements the Committee may enter into
16 each calendar year is ~~15-25."~~

17 **SECTION 3.** G.S. 143B-437.52(d) reads as rewritten:

18 "(d) Measuring Employment. – For the purposes of subdivision (a)(1) of this
19 section and G.S. 143B-437.57(a)(11), the Committee may designate that the increase or
20 maintenance of employment is measured at the level of a division or another operating
21 unit of a business, rather than at the business level, if both of the following conditions
22 are met:

23 (1) The Committee makes an explicit finding that the designation is
24 necessary to secure the project in this State.

25 (2) The designation contains terms to ensure that the business does not
26 create eligible positions by transferring or shifting to the project
27 existing positions from another project of the business or a related
28 ~~entity member~~ of the business."

1 **SECTION 4.** G.S. 143B-437.57(a) is amended by adding a new subdivision
2 to read:

3 "(a) Terms. – Each community economic development agreement shall include at
4 least the following:

5 ...

6 (25) A provision encouraging the business to contract with small businesses
7 headquartered in the State for goods and services."

8 **SECTION 5.** G.S. 143B-437.57 is amended by adding a new subsection to
9 read:

10 "(c) Agreement Binding. – A community economic development agreement is a
11 binding obligation of the State and is not subject to State funds being appropriated by
12 the General Assembly."

13 **SECTION 6.** G.S. 143B-437.58(a) reads as rewritten:

14 "(a) No later than ~~February~~March 1 of each year, for the preceding grant year,
15 every business that is awarded a grant under this Part shall submit to the Committee a
16 ~~copy of its State and federal tax returns showing business and nonbusiness income and a~~
17 report showing withholdings as a condition of its continuation in the grant program. In
18 addition, the business shall submit to the Committee an annual payroll report showing
19 the eligible positions that are created during the base years and the new eligible
20 positions created during each subsequent year of the grant. Upon request of the
21 Committee, the business shall also submit a copy of its State and federal tax returns.
22 Payroll and tax information submitted under this subsection is tax information subject to
23 G.S. 105-259. When making a submission under this section, the business must pay the
24 Committee a fee of one thousand five hundred dollars (\$1,500). The fee is due at the
25 time the submission is made. The Secretary of Commerce, the Secretary of Revenue,
26 and the Director of the Office of State Budget and Management shall determine the
27 allocation of the fee imposed by this section among their agencies. The proceeds of the
28 fee are receipts of the agency to which they are credited."

29 **SECTION 7.** The General Assembly shall conduct a comprehensive
30 systematic study of the Job Development Investment Grant Program. The General
31 Assembly may hire a consultant to perform the study required by this section. There is
32 appropriated from the General Fund to the General Assembly the sum of three hundred
33 thousand dollars (\$300,000) for the 2004-2005 fiscal year to conduct this study. The
34 study shall be completed and submitted to the full 2005 General Assembly no later than
35 April 1, 2005. The study shall include an examination of the following:

- 36 (1) The costs of the program on an aggregate basis, an enterprise tier area
37 basis, and a project basis. This study shall include an examination of
38 the amount spent per job on an aggregate basis, an enterprise tier area
39 basis, and a project basis.
- 40 (2) The costs of the program in relation to other State economic
41 development incentive programs.
- 42 (3) The costs of the program in relation to economic development
43 programs located in nearby states and other states with which the State
44 frequently competes for jobs.

- 1 (4) The extent to which the program has been utilized in geographically
2 diverse parts of the State and the extent to which the program has been
3 utilized in urban, suburban, and rural settings.
4 (5) Any other matter the General Assembly finds relevant to a study of the
5 program.

6 **SECTION 8.** Sections 5 and 6 of this act become effective October 31,
7 2002. Section 4 of this act is effective when it becomes law and applies to agreements
8 entered into on or after that date. The remainder of this act is effective when it becomes
9 law.