

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE DRH80585-MC-312 (05/13)

Short Title: Incentives to Foster Eco-Industrial Park.

(Public)

Sponsors: Representative Owens.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE INCENTIVES FOR BUSINESSES THAT LOCATE IN AN  
3 ECO-INDUSTRIAL PARK.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 143B-437.08 is amended by adding a new subsection to read:

6 "(j) Exception for Eco-Industrial Park. – An Eco-Industrial Park has a development tier  
7 one designation. An Eco-Industrial Park is an industrial park that the Secretary of Commerce  
8 has certified meets the following requirements:

9 (1) It has at least 100 developable acres.

10 (2) It is located in a county that is not required under G.S. 143-215.107A to  
11 perform motor vehicles emissions inspections.

12 (3) Each building located in the industrial park is constructed in accordance with  
13 energy-efficiency and water-use standards established in G.S. 143-135.37  
14 for construction of a major facility.

15 (4) Each business located in the park is in a clean-industry sector according to  
16 the Toxic Release Inventory by the United States Environmental Protection  
17 Agency."

18 **SECTION 2.** G.S. 143B-437.4 reads as rewritten:

19 "~~§ 143B-437.4. NC Green Business Fund established as a special revenue fund and grant~~  
20 ~~program.~~

21 (a) ~~Establishment.—Fund. –~~ The NC Green Business Fund is established as a special  
22 revenue fund in the Department of Commerce, and the Department shall be responsible for  
23 administering the Fund.

24 (b) Purposes. – Moneys in the NC Green Business Fund shall be allocated pursuant to  
25 this subsection. The Department of Commerce shall make grants from the Fund to private  
26 businesses with less than 100 employees, nonprofit organizations, local governments, and State  
27 agencies to encourage the expansion of small to medium size businesses with less than 100  
28 employees to help grow a green economy in the State. Moneys in the NC Green Business Fund  
29 shall be used for projects that will focus on the following three priority ~~areas:~~ areas listed in this  
30 subsection. In selecting between projects that are within a priority area, a project that is located  
31 in an Eco-Industrial Park certified under G.S. 143B-437.08 has priority over a project that is  
32 not located in a certified Eco-Industrial Park. The priority areas are:

33 (1) To encourage the development of the biofuels industry in the State. The  
34 Department of Commerce may make grants available to maximize  
35 development, production, distribution, retail infrastructure, and consumer



1 purchase of biofuels in North Carolina, including grants to enhance biofuels  
2 workforce development.

3 (2) To encourage the development of the green building industry in the State.  
4 The Department of Commerce may make grants available to assist in the  
5 development and growth of a market for environmentally conscious and  
6 energy efficient green building processes. Grants may support the  
7 installation, certification, or distribution of green building materials; energy  
8 audits; and marketing and sales of green building technology in North  
9 Carolina, including grants to enhance workforce development for green  
10 building processes.

11 (3) To attract and leverage private-sector investments and entrepreneurial  
12 growth in environmentally conscious clean technology and renewable  
13 energy products and businesses, including grants to enhance workforce  
14 development in such businesses.

15 (c) Cap and Matching Funds. – The Department of Commerce may set a cap on a grant  
16 from the NC Green Business Fund and may require a private business to provide matching  
17 funds for a grant from the Fund. A grant to a project located in an Eco-Industrial Park certified  
18 under G.S. 143B-437.08 is not subject to a cap or a requirement to provide matching funds."

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

20 "(b) ~~Cap.~~–Cap and Priority. – The maximum number of grants the Committee may  
21 award in each calendar year is 25. In selecting between applicants, a project that is located in an  
22 Eco-Industrial Park certified under G.S. 143B-437.08 has priority over a project that is not  
23 located in a certified Eco-Industrial Park."

24 **SECTION 4.** G.S. 105-129.16A(c)(1) reads as rewritten:

25 "(c) Ceilings. – The credit allowed by this section may not exceed the applicable ceilings  
26 provided in this subsection.

27 (1) Nonresidential Property. – A ceiling of two million five hundred thousand  
28 dollars (\$2,500,000) per installation applies to renewable energy property  
29 placed that is in service outside an Eco-Industrial Park certified under  
30 G.S. 143B-437.08 and is for any purpose other than residential. A ceiling of  
31 five million dollars (\$5,000,000) per installation applies to renewable energy  
32 property that is placed in service in a certified Eco-Industrial Park and is for  
33 any purpose other than residential."

34 **SECTION 5.** G.S. 105-129.16D(d) reads as rewritten:

35 "(d) Sunset. – This section is repealed effective for facilities that are located outside an  
36 Eco-Industrial Park certified under G.S. 143B-437.08 and are placed in service on or after  
37 January 1, 2011. This section is repealed effective for facilities that are located in a certified  
38 Eco-Industrial Park and are placed in service on or after January 1, 2012."

39 **SECTION 6.** G.S. 105-129.55 reads as rewritten:

40 "**§ 105-129.55. Credit for North Carolina research and development.**

41 (a) Qualified North Carolina Research Expenses. – A taxpayer that has qualified North  
42 Carolina research expenses for the taxable year is allowed a credit equal to a percentage of the  
43 expenses, determined as provided in this ~~subsection-section.~~ Only one credit is allowed under  
44 this ~~subsection-section~~ with respect to the same expenses. If more than one subdivision of this  
45 ~~subsection-section~~ applies to the same expenses, then the credit is equal to the higher  
46 percentage, not both percentages combined. If part of the taxpayer's qualified North Carolina  
47 research expenses qualifies under more than one subdivision (2)–of this subsection–and the  
48 remainder qualifies under subdivision (3) of this subsection,–section, the applicable percentages  
49 apply separately to each part of the expenses.

- 1 (1) Small business. – If the taxpayer was a small business as of the last day of
- 2 the taxable year, the applicable percentage is three and one-quarter percent
- 3 (3.25%).
- 4 (2) Low-tier research. – For expenses with respect to research performed in a
- 5 development tier one area, the applicable percentage is three and one-quarter
- 6 percent (3.25%).
- 7 (2a) University research. – For North Carolina university research expenses, the
- 8 applicable percentage is twenty percent (20%).
- 9 (2b) Eco-Industrial Park. – For expenses with respect to research performed in an
- 10 Eco-Industrial Park certified under G.S. 143B-437.08, the applicable
- 11 percentage is thirty-five percent (35%).
- 12 (3) Other research. – For expenses not covered under another subdivision (1) ~~or~~
- 13 ~~(2)~~ of this ~~subsection, section,~~ the percentages provided in the table below
- 14 apply to the taxpayer's qualified North Carolina research expenses during the
- 15 taxable year at the following levels:

Expenses Over	Up To	Rate
-0-	\$50 million	1.25%
\$50 million	\$200 million	2.25%
\$200 million	–	3.25%

20 ~~(b) North Carolina University Research Expenses. – A taxpayer that has North Carolina~~  
 21 ~~university research expenses for the taxable year is allowed a credit equal to twenty percent~~  
 22 ~~(20%) of the expenses."~~

23 **SECTION 7.** Sections 4 and 6 of this act are effective for taxable years beginning  
 24 on or after January 1, 2011. The remainder of this act is effective when it becomes law.  
 25 Sections 2 and 3 of this act apply to grant applications submitted on or after July 1, 2011.