

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE DRH10624-LM-21 (02/03)

Short Title: NC Green Business Fund.

(Public)

Sponsors: Representative Harrison.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CHANGE THE NC GREEN BUSINESS FUND FROM A GRANT-MAKING FUND TO A NO-INTEREST LOAN-MAKING FUND AND TO APPROPRIATE FUNDS TO THE DEPARTMENT OF COMMERCE FOR THE NC GREEN BUSINESS FUND.

The General Assembly of North Carolina enacts:

**SECTION 1.** Part 2B of Article 10 of Chapter 143B of the General Statutes reads as rewritten:

"Part 2B. NC Green Business Fund.

**"§ 143B-437.4. NC Green Business Fund established as a special revenue fund.**

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

(b) Purposes. – Moneys in the NC Green Business Fund shall be allocated pursuant to this subsection. The Department of Commerce shall make ~~grants~~no-interest loans from the Fund to private businesses with less than 100 employees, nonprofit organizations, local governments, and State agencies to encourage the expansion of small to medium size businesses with less than 100 employees to help grow a green economy in the State. Moneys in the NC Green Business Fund shall be used for projects that will focus on the following three priority areas:

- (1) To encourage the development of the biofuels industry in the State. The Department of Commerce may make ~~grants~~no-interest loans available to maximize development, production, distribution, retail infrastructure, and consumer purchase of biofuels in North Carolina, including ~~grants~~no-interest loans to enhance biofuels workforce development.
- (2) To encourage the development of the green building industry in the State. The Department of Commerce may make ~~grants~~no-interest loans available to assist in the development and growth of a market for environmentally conscious and energy efficient green building processes. ~~Grants~~No-interest loans may support the installation, certification, or distribution of green building materials; energy audits; and marketing and sales of green building technology in North Carolina, including ~~grants~~no-interest loans to enhance workforce development for green building processes.
- (3) To attract and leverage private-sector investments and entrepreneurial growth in environmentally conscious clean technology and renewable



1 energy products and businesses, including ~~grants~~ no-interest loans to  
2 enhance workforce development in such businesses.

3 **"§ 143B-437.5. Green Business Fund Advisory Committee.**

4 The Department of Commerce may establish an advisory committee to assist in the  
5 development of the specific selection criteria and the ~~grant-making~~ loan-making process of the  
6 NC Green Business Fund.

7 **"§ 143B-437.6. Agreements required.**

8 Funds may be disbursed from the NC Green Business Fund only in accordance with  
9 agreements entered into between the Department of Commerce and an eligible ~~grantee~~ loan  
10 recipient. Each agreement must contain the following provisions:

- 11 (1) A description of the acceptable uses of ~~grant~~ loan proceeds. The agreement  
12 may limit the use of funds to specific purposes or may allow the funds to be  
13 used for any lawful purposes.
- 14 (2) A provision allowing the Department of Commerce to inspect all records of  
15 the business that may be used to confirm compliance with the agreement or  
16 with the requirements of this Part.
- 17 (3) A provision establishing the method for determining compliance with the  
18 agreement.
- 19 (4) A provision establishing a schedule for disbursement of loan funds under the  
20 agreement.
- 21 (5) A provision requiring recapture of ~~grant~~ loan funds if a ~~grantee~~ loan  
22 recipient subsequently fails to comply with the terms of the agreement.
- 23 (6) Any other provision the State finds necessary to ensure the proper use of  
24 State funds.

25 **"§ 143B-437.7. Program guidelines.**

26 The Department of Commerce shall develop guidelines related to the administration of the  
27 NC Green Business Fund and to the selection of projects to receive ~~allocations~~ loans from the  
28 Fund, including project evaluation measures. At least 20 days before the effective date of any  
29 guidelines or nontechnical amendments to guidelines, the Department of Commerce must  
30 publish the proposed guidelines on the Department's Web site and provide notice to persons  
31 who have requested notice of proposed guidelines. In addition, the Department must accept oral  
32 and written comments on the proposed guidelines during the 15 business days beginning on the  
33 first day that the Department has completed these notifications. For the purpose of this section,  
34 a technical amendment is either of the following:

- 35 (1) An amendment that corrects a spelling or grammatical error.
- 36 (2) An amendment that makes a clarification based on public comment and  
37 could have been anticipated by the public notice that immediately preceded  
38 the public comment.

39 **"§ 143B-437.8. Reports.**

40 ~~Grants made to non-State entities through the NC Green Business Fund shall be subject to~~  
41 ~~the oversight and reporting requirements of G.S. 143C-6-23.~~ The Department of Commerce  
42 shall conduct an annual audit review of each NC Green Business Fund loan recipient to assess  
43 project quality assurance. The Department of Commerce shall publish a report on the  
44 commitment, disbursement, and use of funds ~~allocated~~ loaned from the NC Green Business  
45 Fund at the end of each fiscal year. The report is due no later than September 1 and must be  
46 submitted to the following:

- 47 (1) The Joint Legislative Commission on Governmental Operations.
- 48 (2) The chairs of the House of Representatives and Senate Finance Committees.
- 49 (3) The chairs of the House of Representatives and Senate Appropriations  
50 Committees.
- 51 (4) The Fiscal Research Division of the General Assembly."

1           **SECTION 2.** There is appropriated from the General Fund to the Department of  
2 Commerce the sum of five million dollars (\$5,000,000) for the 2009-2010 fiscal year for the  
3 NC Green Business Fund to provide no-interest loans to private businesses with less than 100  
4 employees, nonprofit organizations, local governments, and State agencies to encourage the  
5 expansion of small- to medium-sized businesses with less than 100 employees to help grow a  
6 green economy in the State.

7           **SECTION 3.** Section 1 of this act is effective when it becomes law. Section 2 of  
8 this act becomes effective July 1, 2009.