

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H

2

HOUSE BILL 1015
Senate Finance Committee Substitute Adopted 6/5/12

Short Title: Economic Devpt. & Finance Changes.

(Public)

Sponsors:

Referred to:

May 22, 2012

1 A BILL TO BE ENTITLED
2 AN ACT TO SET THE REGULATORY FEES AND TO ENHANCE ECONOMIC
3 DEVELOPMENT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** The percentage rate to be used in calculating the public utility
6 regulatory fee under G.S. 62-302(b)(2) is twelve-hundredths of one percent (0.12%) for each
7 public utility's North Carolina jurisdictional revenues earned during each quarter that begins on
8 or after July 1, 2012.

9 **SECTION 1.(b)** The electric membership corporation regulatory fee imposed
10 under G.S. 62-302(b1) for the 2012-2013 fiscal year is two hundred thousand dollars
11 (\$200,000).

12 **SECTION 1.(c)** The percentage rate to be used in calculating the insurance
13 regulatory charge under G.S. 58-6-25 is six percent (6%) for the 2012 calendar year.

14 **SECTION 1.(d)** Subsections (a) and (b) of this section become effective July 1,
15 2012. The remainder of this section is effective when it becomes law.

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

17 "**§ 143B-437.52. Job Development Investment Grant Program.**

18 ...

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

23"

24 **SECTION 2.(b)** This section becomes effective July 1, 2012.

25 **SECTION 3.** G.S. 143B-437.01(a) reads as rewritten:

26 "(a) **Creation and Purpose of Fund.** — There is created in the Department of Commerce
27 the Industrial Development Fund to provide funds to assist the local government units of the
28 most economically distressed counties in the State in creating and retaining jobs in certain
29 industries. The Department of Commerce shall adopt rules providing for the administration of
30 the program. Those rules shall include the following provisions, which shall apply to each grant
31 from the fund:

- 32 (1) The funds shall be used for (i) installation of or purchases of equipment for
33 eligible industries, (ii) structural repairs, improvements, or renovations of
34 existing buildings to be used for expansion of eligible industries, or (iii)
35 construction of or improvements to new or existing water, sewer, gas,
36 telecommunications, high-speed broadband, electrical utility distribution



1 lines or equipment, or transportation infrastructure for existing or new or
2 proposed industrial buildings to be used for eligible industries. To be eligible
3 for funding, the water, ~~sewer,~~ gas, telecommunications, high-speed
4 broadband, electrical utility lines or facilities, or transportation infrastructure
5 shall be located on the site of the building or, if not located on the site, shall
6 be directly related to the operation of the specific eligible industrial activity.
7 To be eligible for funding, the sewer infrastructure shall be located on the
8 site of the building or, if not located on the site, shall be directly related to
9 the operation of the specific eligible industrial activity, even if the sewer
10 infrastructure is located in a county other than the county in which the
11 building is located.

12"

13 **SECTION 4.(a)** G.S. 105-129.84(c) reads as rewritten:

14 "(c) Carryforward. – Unless a longer carryforward period applies, any unused portion of
15 a credit allowed under G.S. 105-129.87 or G.S. 105-129.88 may be carried forward for the
16 succeeding five years, and any unused portion of a credit allowed under G.S. 105-129.89 may
17 be carried forward for the succeeding 15 years. If the Secretary of Commerce makes a written
18 determination that the taxpayer is expected to purchase or lease, and place in service in
19 connection with an eligible business within a two-year period, at least ~~one hundred fifty million~~
20 ~~dollars (\$150,000,000) worth of the minimum investment amount of~~ business and real property,
21 any unused portion of a credit under this Article with respect to the establishment that satisfies
22 that condition may be carried forward for the succeeding 20 years. If the taxpayer does not
23 make the required level of investment, the taxpayer shall apply the five-year carryforward
24 period rather than the 20-year carryforward period. For purposes of this subsection, the
25 "minimum investment amount" is the following amount:

- 26 (1) For an eligible business investing the minimum investment amount in an
27 establishment located, at the time the initial investment is made, in a
28 development tier one area, one hundred million dollars (\$100,000,000).
29 (2) For any other eligible business, one hundred fifty million dollars
30 (\$150,000,000)."

31 **SECTION 4.(b)** This section is effective for taxable years beginning on or after
32 January 1, 2012.

33 **SECTION 5.(a)** G.S. 143B-437.013(a) reads as rewritten:

34 "(a) Port Enhancement Zone Defined. – A port enhancement zone is an area that meets
35 all of the following conditions:

- 36 (1) It is comprised of part or all of one or more contiguous census tracts, census
37 block groups, or both, in the most recent federal decennial census.
38 (2) All of the area is located within 25 miles of a State port and is capable of
39 being used to enhance port operations.
40 (3) Every census tract and census block group that comprises the area has at
41 least eleven percent (11%) of households with incomes of fifteen thousand
42 dollars (\$15,000) or less."

43 **SECTION 5.(b)** This section is effective for taxable years beginning on or after
44 January 1, 2013.

45 **SECTION 6.** Except as otherwise provided, this act is effective when it becomes
46 law.