

NORTH CAROLINA GENERAL ASSEMBLY



**HOUSE SELECT COMMITTEE
ON THE RURAL ECONOMY**

**Co-chairs:
Representative Bruce Goforth
Representative Jim Harrell, III**

**REPORT TO THE NORTH CAROLINA
HOUSE OF REPRESENTATIVES**

DECEMBER, 2006

The House Select Committee on the Rural Economy respectfully submits the following report to the North Carolina House of Representatives.

Representative [Bruce Goforth](#), CoChair

Representative Jim Harrell, III, CoChair

COMMITTEE PROCEEDINGS

The House Select Committee on the Rural Economy met four times from November 13, 2006, to December 14, 2006. Two of the meetings were held outside of Raleigh.

On November 13, 2006, the Committee heard an extensive presentation on the state of North Carolina's rural economy by Billy Ray Hall, Executive Director of the Rural Economic Development Center, Inc. Mr. Hall noted that North Carolina's economy is transitioning from an agricultural and manufacturing based economy to a services based economy. Some areas of the State are successfully making the transition and these need support to build on their success. Other places in the State are struggling and need help with obtaining tools and resources in order to move forward.

Mr. Hall highlighted the loss of jobs in the textiles and apparel industry as an example of the shift out of a manufacturing based economy. From 1990 through 2005, textile and apparel jobs declined from over 286,000 jobs to 103,000 jobs. Significant declines also occurred in other manufacturing sectors and this trend was exacerbated by the recession in 2001. Job losses from 2001 through 2003 included more than 60,000 jobs in rural areas and 100,000 jobs in urban areas. Since 2003, however, private sector employment has been improving, notably in the services sector.

Mr. Hall emphasized that education is one of the keys to the future's best paying jobs and that these jobs will require more than a high school diploma. He also noted that the current workforce was not prepared for the shift to a services based economy. Educational attainment rates and high school retention rates need to improve. High-speed internet access is also crucial to economic development in rural areas. 70% or more of the population in 74 of the 100 counties have high-speed access. However, in 26 counties fewer than 69% have high speed access and in 5 of those counties, less than 50 % of the residents have such access. Lastly, Mr. Hall addressed the water and sewer capital needs across the State.

Along with the challenges, there are also opportunities and resources available to help guide and promote rural economic growth. These include the entrepreneurial networks that are developing across the State, the growth of the biotech industry, the development of biofuels, emerging cottage industries, the growth of locally-based tourism, the creative- use of assets encouraged by programs such as the building re-use and restoration program, regional cooperation among the community colleges and universities, and economic and workforce development organizations working together.

On a regional basis, Mr. Hall stated that the Northeastern Region has seen private employment increase by 9% from 2001-2006, the majority of which came in the health care sector. The needs in this region include water and sewer needs in excess of \$100 million dollars in Halifax and Dare Counties, very limited access to high-speed internet in Gates County (less than 50% of the population) and an 18.6% poverty rate.

The Eastern Region added 5,000 private sector jobs in the last five years in five of the 13 counties in the Region, mostly in the professional and technical services sector. Challenges include the educational attainment rate (16.6% of the adult population has a bachelors degree or higher), seven counties have water and sewer capital needs in excess of \$100,000 and in Jones and Green Counties less than 50% of the population has high-speed internet access.

The Southeast Region has also seen job growth adding 11,300 private sector jobs in the last five years. Virtually all the growth, however, has been in the urban counties such as New Hanover and Cumberland. Some of the inland communities are not doing as well. Richmond County has lost 1,800 jobs and Scotland County 3,000 jobs over the last five years.

The Research Triangle Region has been successful in its efforts. The Research Triangle Park had added 20,000 jobs across several sectors including education, health services, professional and business services and financial activities. Rural counties have added 8,300 private sector jobs in the last two years. The challenges faced in the Region include responding to the demand for services and providing infrastructure to meet the residential growth.

The Piedmont Triad Region is struggling. The region has 30,000 fewer jobs now than in 2001. Closure of many textile mills has been a major contributing factor and has significantly reduced revenues to water and sewer systems as well. Opportunities available in the region include the growth of the wine industry, development of an arts cluster (pottery and crafts) and The Workforce Innovation in Regional Economic Development Initiative.

The Charlotte Region is growing at a rapid rate, mostly in Mecklenburg County. While the region's economy is strong, it lost 51,600 private sector jobs in 2001 and 2002. Anson County, however, has lagged in adding private sector jobs.

Finally, the Mountain Region has seen dramatic job losses, especially in Burke, Caldwell, McDowell, Rutherford, and Wilkes Counties. There are currently 16,000 fewer private sector jobs in the region than in 2001 and the region lost a total of 31,600 manufacturing jobs in the past 5 years. Challenges include retraining the workforce and increasing the number of adults holding bachelor's degrees or higher.

Mr. Hall ended his presentation with remarks on steps that can be taken to stimulate the rural economy. He noted that the key issues for the 2007 General Assembly will include workforce training by the community college system, public school education and the lottery, and water and sewer infrastructure financing. He stated that the Rural Center would be focused on the economy and job creation and recommended expanding the Building Re-use and Restoration Program, the Small Towns Economic Prosperity (STEP) Program, and the Community Development Corporations (CDC) grants program.

Based upon the presentation, the Committee requested staff to prepare legislation to provide for bonds for water and sewer infrastructure needs, to amend the school capital

fund formula for the lottery proceeds, and to expand the Building Re-use and Restoration Program, the STEP program and the CDC grants program.

The second meeting of the Committee was held on December 5, 2006. The Secretary of the Department of Commerce, Jim Fain, spoke to the Committee about the Department's efforts to promote economic development and growth in the rural counties in North Carolina. The Secretary listed education, adequate infrastructure, and planning and technical assistance as the foundation for economic development in the State. He profiled two programs that exemplified the Department's work in this area; the Incumbent Workforce Development Initiative and the 21st Century Communities program.

According to Secretary Fain, one of the keys to economic growth is the development of a well educated and highly skilled workforce. The Incumbent Workforce Development Initiative provides grants using federal funds to provide educational and training opportunities to help established businesses increase their workers' skills in order to maintain or increase their competitiveness in the global economy. Over 21,000 workers at 296 companies have been able to upgrade their skills during the past three years through training grants made available through the Initiative.

The 21st Century Communities Program was initiated in 2001 in an effort to bring economic prosperity to North Carolina's most economically distressed areas. Under this program, the Department assesses a community's strengths and challenges, helps it to develop a strategic economic growth plan, and works with the community to implement the plan. Twenty counties are currently active in the 21st Century Communities Program.

During the discussion after Secretary Fain's presentation, Committee members expressed concern about the impact of the tobacco buyout and the decline in the number of farms and in agricultural employment. The Secretary responded that the search for replacement crops continues and cited the growing biofuels industry as an example of ongoing efforts in alternative agriculture. Committee members discussed the need of rural counties to have shell buildings available in order to attract new companies.

Jane Smith Patterson, Executive Director of the e-NC Authority was the next person to address the Committee. She noted that high speed internet was absolutely essential to economic development and expansion, especially in the rural areas of the State. Currently, however, 26 counties lack adequate connectivity and fewer than 70% of the population in those counties have access. Ms. Patterson stated that a \$7.5 million dollar fund was needed to bring all counties in the State up to a minimum access of 70%. Connectivity is a basic requirement for economic development along with good schools, roads, airports, and access to health care.

Committee staff next reviewed several legislative proposals that had been drafted for the Committee's consideration. These included Funding for Community Development Corporation Grants, Funding for the Building Reuse and Restoration Program and the Small Town Economic Prosperity Program (part of the Rural Economic Infrastructure Fund), Water and Sewer Bonds, and Formula Changes in the School Capital Needs/ Lottery Proceeds. The Committee approved all four proposals and asked that they be included in the Committee's report to the House of Representatives.

On December 12, 2006, the Committee met at Campbell University in Buies Creek, North Carolina and heard from a number of individuals involved in Harnett County's economic development efforts.

Mr. Irving Warren, President of Warren Oil Company, spoke about the importance of entrepreneurial businesses to the local economy. He noted that it is crucial for the legislature to support entrepreneurial efforts and recommended tax credits as one of the best ways to encourage business growth and investment.

Lee Ann Nance, Director, Harnett County Economic Development Commission, gave a history of the Commission and of Harnett County's recovery from the loss of its textile industry. She noted that 80% of the job growth in the county has come from existing industry. The commitment of local leadership, the positive contributions of the University and the military, and development assistance from the government all have contributed to Harnett's economic growth.

Jim Roberts, Vice President of the Campbell University School of Business, spoke about the vital role played by the University in workforce development for industries moving to the county. Dr. Ronald Mattox, Dean of the School of Pharmacy spoke about the high caliber of jobs available in the pharmaceutical industry.

During lunch, Teddy Byrd, Chairman of the Harnett County Board of Commissioners, commented on the economic wake up call provided by the closure of the Swift Denim Plant 5 years earlier. To attract businesses to a rural area a county needs shovel ready industrial parks, board certified sites, incentive packages and adequate airport facilities. He also noted the projected growth of the county due to the BRAC closure of Fort McPherson.

Scott Dorney, Executive Director of the North Carolina Military Business Center (NCMBC) talked about his organization's efforts to increase military business opportunities for North Carolina companies. Defense procurement was in excess of 2.9 billion dollars for North Carolina in 2005. North Carolina ranks 35 among the States in terms of defense procurement. California led the way in 2005 with 31.1 million in military and federal procurement contracts.. The NCMBC assists business in the State by identifying Department of Defense contracting opportunities, notifying firms of opportunities to compete and providing assistance with proposal development and review for the selection process. NCMBC also operates MatchForce.org, the State's official website for federal business opportunities.

Nancy Blackman, Director of Triangle South spoke about the success of her small business incubator over the past 20 years. In particular, she noted her affiliation with Central Carolina Community College as a factor in the incubator's success. Bill Tyson, Provost of Central Community College was the closing speaker and further outlined the role of the Community College in fostering growth by provided a skilled and trained workforce to local business and industry.

The Committee held its final meeting at Shelton Vineyards in Surry County on December 14, 2006. The Chairman of the Surry County Board of Commissioners, Craig Hunter, welcomed the Committee to Surry County. A series of brief presentations followed beginning with Macon C. Sammons, Jr., Surry County Manager. Mr. Sammons noted that the County had experienced severe job loss since 1998 as a result of the decline in apparel and furniture manufacturing. He also emphasized the need for State water and sewer bonds and for funding to assist rural areas in developing industrial parks.

Robin Rhyne, President of the Surry County Economic Development Partnership, spoke about business infrastructure in urban and rural areas and the difference between micropolitan and metropolitan areas. She noted that the goal in Surry County was to maintain its separate cultural identity and not look for industries to “bleed back” from urban areas. She requested an extension to the three year match of the Governor One North Carolina Fund.

Dr. Frank Sells, President of Surry Community College and Gil Giese, Lead Instructor, Surry Community College reported on the importance of the Viticulture/Enology Program at Surry Community College to the Surry County economy and stressed the need for a NC Center for Viticulture & Enology. The Center would be the first of its kind on the East Coast and would provide Surry County, the surrounding area, and the State as a whole an economic advantage in the growing area of viticulture.

Bill McNeil, Director, NC Regional Councils, emphasized the role of the Councils in assisting rural governments to obtain and leverage funding from State and federal sources, especially Tier I counties. The Surry County leadership was encouraged to take advantage of their services. He also reviewed COG’s regional funding priorities for 2007.

Mayor Jack Loftis of Mount Airy outlined the success the town had experienced from tourism and encouraged investing in local communities. Don Brookshire, City Manager of Mount Airy spoke to the Committee about the burden on local finances that had been created due to excess capacity in their water and sewer systems. The excess capacity resulted from the closing of local manufacturing operations. Tom Gwyn, mayor of the Town of Elkin stressed the need for counties to work together and not compete as individual municipalities. Mayor Gwyn also noted the importance of local arts and crafts to the economic development of the area and cited the Yadkin Valley Craft Guild as an example. Mayor Aaron Hunter of Pilot Mountain stressed the need for state support of road projects, and Blair Knox, City Manager for Pilot Mountain, emphasized the burden of the previous debt service on the infrastructure and recommended changing the state’s economic models.

Dr. Jim Harrell, Jr., County Commissioner, Surry County and Chairman of Regional Tourism Initiative, noted the economic developments problems in Surry County and stressed the importance for communities to “look forward”. He cited tourism as a forward step noting that it also provided an opportunity to attract retirees leaving Florida. Dr. Harrell reported that the Regional Tourism Initiative was an example of areas marketing together instead of being competitive.

Burke Robertson, President, Burke Robertson & Associates, Inc. and developer of White Sulphur Springs Resort, agreed that regional initiatives needed to be the focus and stressed

that to adequately compete Surry County needed to distinguish itself; use private investments for homes and small businesses; and realize the potential boost to the local economy of attracting retirees.

Pete Pequeno, Senior Vice-President, Surrey Bank and Trust Company and Mike Stanley, General Manager, Surry Telephone spoke for the business community. Mr. Pequeno stressed the importance of tax exempt financing for facility loans, NAFTA Effective Communities, good roads, water and sewer bonds, agribusiness and organic food markets, the Viticulture Center at Surry Community College, and incubators to promote small businesses. The importance of fiber optic facilities, wireless service, and of the e-NC Authority to rural areas was cited. Lastly, Rhonda Collins, Property Owners Representative for Interstates Water and Sewer District Issue reviewed the history of the Interstates Water and Sewer request.

After the presentations, the Committee reviewed the draft report to the House of Representatives. Upon motion by Representative Harrell, and seconded by Representative Goforth, Co-Chairmen, a favorable vote was given to the final Committee Report.

RECOMMENDATIONS

Upon hearing the various presentations and discussion, the Committee makes the following recommendations:

RECOMMENDATION 1:

The General Assembly should enact enabling legislation for a \$1 billion clean water bond referendum

RECOMMENDATION 2:

The General Assembly should enact legislation granting manufacturers a tax exemption from certain energy related taxes, including sales and use taxes on fuel and excises taxes on piped natural gas.

RECOMMENDATION 3:

The General Assembly should enact legislation changing the formula for the distribution of lottery proceeds credited to the Public School Building Construction fund to an average daily membership basis.

RECOMMENDATION 4:

The General Assembly should enact legislation to encourage economic growth in rural North Carolina by expanding the Small Towns Economic Prosperity Program and the Building Reuse and Renovation Program, and to appropriate funds to the Rural Economic Development Center, Inc. for this purpose.

RECOMMENDATION 5:

The General Assembly should enact legislation providing funding to the Rural Economic Development Center, Inc. to expand the Community Development Corporations Grant Program.

RECOMMENDATION 6:

The General Assembly should enact legislation providing funding to the e-NC Authority to increase the availability of access high-speed internet to the rural population through the use of incentive grants to service providers, to expand funding for the e-NC Business and Technology Telecenters program, to provide incentives to e-communities, local e-government utilization program participants and e-commerce initiatives, and to provide additional funding for general operations of the e-NC Authority.

PROPOSED LEGISLATION

LEGISLATIVE PROPOSAL I

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE STATE, SUBJECT TO A VOTE OF THE QUALIFIED VOTERS OF THE STATE, TO ADDRESS STATEWIDE CRITICAL INFRASTRUCTURE NEEDS BY PROVIDING FUNDS FOR GRANTS AND LOANS FOR WASTEWATER AND DRINKING WATER PROJECTS.

The General Assembly of North Carolina enacts:

SECTION 1. This act is entitled "The Clean Water Bonds Act of 2007."

SECTION 2. Authorization of bonds and notes. – Subject to a favorable vote of a majority of the qualified voters of the State who vote on the question of issuing Clean Water Bonds in the election called and held as provided in this act, the State Treasurer is hereby authorized, by and with the consent of the Council of State, to issue and sell, at one time or from time to time, general obligation bonds of the State to be designated "State of North Carolina Clean Water Bonds," with any additional designations as may be determined to indicate the issuance of bonds from time to time, or notes of the State as provided in this act, in an aggregate principal amount not exceeding one billion dollars (\$1,000,000,000) for the purpose of providing funds, with any other available funds, for the purposes authorized in this act. No more than an aggregate amount of two hundred million dollars (\$200,000,000) of bonds may be issued under this act before July 1, 2008. No more than an aggregate amount of four hundred million dollars (\$400,000,000) of bonds may be issued under this act before July 1, 2009. No more than an aggregate amount of six hundred million dollars (\$600,000,000) of bonds may be issued under this act before July 1, 2010. No more than an aggregate amount of eight hundred million dollars (\$800,000,000) of bonds may be issued under this act before July 1, 2011.

SECTION 3. Definitions. As used in this act, unless the context otherwise requires:

- (1) "Bond rating" means the numerical rating of a unit of local government developed by the NCMC. The rating formula is based on 100 being a theoretically "perfect" unit of local government and is an assessment of the creditworthiness of the unit. Units of local government with a rating below 75 or with no ratings have limited, if any, access to the private markets for financing water and sewer or other debt.

- (2) "Bonds" means bonds issued under this act.
- (3) "Credit facility" means an agreement entered into by the State Treasurer on behalf of the State with a bank, savings and loan association, or other banking institution, an insurance company, reinsurance company, surety company, or other insurance institution, a corporation, investment banking firm, or other investment institution, or any financial institution or other similar provider of a credit facility, which provider may be located within or without the United States of America, such agreement providing for prompt payment of all or any part of the principal or purchase price (whether at maturity, presentment or tender for purchase, redemption, or acceleration), redemption premium, if any, and interest on any bonds or notes payable on demand or tender by the owner, in consideration of the State agreeing to repay the provider of the credit facility in accordance with the terms and provisions of such agreement.
- (4) "NCMC" means the North Carolina Municipal Council, Inc., a nonprofit North Carolina corporation which provides bond ratings, or any successor thereto. In the event such corporation dissolves or no longer performs the functions contemplated herein, such term shall mean that comparable corporation designated by the State Treasurer.
- (5) "Notes" means notes issued under this act.
- (6) "Par formula" means any provision or formula adopted by the State to provide for the adjustment, from time to time, of the interest rate or rates borne by any bonds or notes, including:
 - a. A provision providing for such adjustment so that the purchase price of such bonds or notes in the open market would be as close to par as possible,
 - b. A provision providing for such adjustment based upon a percentage or percentages of a prime rate or base rate, which percentage or percentages may vary or be applied for different periods of time, or
 - c. Such other provision as the State Treasurer may determine to be consistent with this act and will not materially and adversely affect the financial position of the State and the marketing of bonds or notes at a reasonable interest cost to the State.
- (7) "State" means the State of North Carolina.

SECTION 4. Use of bond proceeds. – The proceeds of the Clean Water Bonds shall be used as provided in this section. The General Assembly may increase or decrease the allocations provided for in this section so long as the aggregate amount of the allocations does not exceed the amount authorized under

Section 2 of this act. The proceeds of the Clean Water Bonds shall first be used to meet the State match requirement for federal funds for wastewater projects and public water systems. The remaining proceeds of Clean Water Bonds shall be used as follows:

- (1) Forty-eight percent (48%) of the proceeds of each issuance of Clean Water Bonds shall be used in the same manner as funds appropriated to the Rural Center Reserve Fund established under G.S. 159G-22.
- (2) Twenty-four percent (24%) of the proceeds of each issuance of Clean Water Bonds shall be used in the same manner as funds appropriated to the Wastewater Reserve established under G.S. 159G-22 with the condition that any funds awarded to a nonprofit water corporation shall be in the form of a grant rather than a loan.
- (3) Twenty-four percent (24%) of the proceeds of each issuance of Clean Water Bonds shall be used in the same manner as funds appropriated to the Drinking Water Reserve established under G.S. 159G-22 with the condition that any funds awarded to a nonprofit water corporation shall be in the form of a grant rather than a loan.
- (4) Four percent (4%) of the proceeds of each issuance of Clean Water Bonds shall be used in the same manner as funds appropriated to the Clean Water Management Trust Fund established under G.S. 113A-253 to finance stormwater quality projects.

SECTION 5.(a) G.S. 159G-20 reads as rewritten:

"§ 159G-20. Definitions.

The following definitions apply in this Chapter:

...

- (13) Local government unit. – Any of the following:
 - a. A city as defined in G.S. 160A-1.
 - b. A county.
 - c. A consolidated city-county as defined in G.S. 160B-2.
 - d. A county water and sewer district created pursuant to Article 6 of Chapter 162A of the General Statutes.
 - e. A metropolitan sewerage district or a metropolitan water district created pursuant to Article 4 of Chapter 162A of the General Statutes.
 - f. A water and sewer authority created under Article 1 of Chapter 162A of the General Statutes.
 - g. A sanitary district created pursuant to Part 2 of Article 2 of Chapter 130A of the General Statutes.

- h. A joint agency created pursuant to Part 1 of Article 20 of Chapter 160A of the General Statutes.
- i. A joint agency that was created by agreement between two cities and towns to operate an airport pursuant to G.S. 63-56 and that provided drinking water and wastewater services off the airport premises before 1 January 1995.
- j. For the purpose of obtaining a planning grant, a regional council of government organized under G.S. 160A-460 or a regional planning and development commission organized under G.S. 153A-391.

...

- (16) Rural Center. – The Rural Economic Development Center, Inc., a nonprofit North Carolina corporation.
- (17) Rural Center Reserve. – The Rural Center Reserve established in G.S. 159G-22 as an account in the Water Infrastructure Fund."

SECTION 5.(b) G.S. 159G-21 reads as rewritten:

"§ 159G-21. Revenue for water projects.

This Chapter governs the use of the following revenue:

- (1) Revenue appropriated to the Department to match federal funds received for loans and grants for wastewater and drinking water projects and revenue received by the Department from the repayment of loans made with the use of the federal funds.
- (2) Revenue appropriated to the Department to provide a source of State funds to make loans and grants for wastewater and drinking water projects and revenue received by the Department from the repayment of loans made with the use of these funds.
- (3) Revenue appropriated to the Rural Center to make grants for wastewater and drinking water projects."

SECTION 5.(c) G.S. 159G-22 is amended by adding a new subsection to read:

"(h) Rural Center Reserve. – The Rural Center Reserve is established as an account within the Water Infrastructure Fund. The Account is established to receive funds that are to be used by the Rural Center for grants for public water systems and for publicly owned wastewater collection systems and wastewater treatment works. Revenue in the Rural Center Reserve remains in the Reserve until disbursed for a grant under Article 3 of this Chapter."

SECTION 5.(d) G.S. 159G-23 reads as rewritten:

"§ 159G-23. Common criteria for loan or grant from Wastewater Reserve ~~or Reserve~~, Drinking Water Reserve, ~~Reserve~~, or Rural Center Reserve.

The criteria in this section apply to a loan or grant from the Wastewater Reserve ~~or Reserve~~, the Drinking Water Reserve, ~~Reserve~~, or the Rural Center

Reserve. The Division of Water Quality and Quality, the Division of Environmental Health-Health, and the Rural Center must each establish a system of assigning points to applications based on the following criteria: criteria listed in this section. Point assignment by a Division and by the Rural Center may differ, but the Division and the Rural Center must apply all the criteria in evaluating applications.

..."

SECTION 5.(e) G.S. 159G-24 reads as rewritten:

"§ 159G-24. Fee imposed on a loan or grant from Wastewater Reserve or Reserve, Drinking Water Reserve, Reserve, or Rural Center Reserve.

(a) Amount. – A loan awarded from the Wastewater Reserve or the Drinking Water Reserve is subject to a fee of two and one-half percent (2 ½%) of the loan. A grant awarded from the Wastewater Reserve or Reserve, the Drinking Water Reserve-Reserve, or the Rural Center Reserve is subject to a fee of one and one-half percent (1 ½%) of the grant. The fee is payable when a loan or grant is awarded.

(b) Departmental Receipt. – The fee on a loan from the Wastewater Reserve or the Drinking Water Reserve is a departmental receipt and must be applied to the Department's and the Local Government Commission's costs in administering loans from these Reserves. The Department and the Local Government Commission must determine how to allocate the fee receipts between their agencies. The fee on a grant from the Wastewater Reserve or the Drinking Water Reserve is a departmental receipt of the Department and must be applied to the Department's costs in administering grants from these Reserves.

(c) Rural Center. – The fee on a grant from the Rural Center Reserve is appropriated to the Rural Center. The fee must be applied to the Rural Center's costs in administering grants from the Rural Center Reserve."

SECTION 5.(f) G.S. 159G-26 reads as rewritten:

"§ 159G-26. Annual reports on Water Infrastructure Fund.

(a) Requirement. – The Department must publish a report each year on the accounts in the Water Infrastructure Fund that are administered by the Division of Water Quality or the Division of Environmental Health. The Rural Center must publish a report each year on the Rural Center Reserve. The report-reports must be published by 1 November of each year and cover the preceding fiscal year. The Department and the Rural Center must make the report-reports available to the public and must give a copy of the report-reports to the Environmental Review Commission and the Fiscal Research Division of the General Assembly.

(b) Content. – The report-reports required by this section must contain the following information concerning the accounts of the Water Infrastructure Fund:

- (1) The beginning and ending balance of the account for the fiscal year.

- (2) The amount of revenue credited to the account during the fiscal year, by source.
- (3) The total amount of loans and grants awarded from the account, by type, and the amount of any expenditure for emergency corrective action made from the account.
- (4) For each loan or grant awarded, the recipient of the award, the amount of the award, the amount of the award that was disbursed, and the amount of the award remaining to be disbursed in a subsequent fiscal year.
- (5) The amount disbursed for loans and grants awarded but not disbursed in a prior fiscal year and the amount remaining to be disbursed in a subsequent fiscal year.
- (6) An assessment of the expected impact on water quality and water supply of the projects for which the loans and grants were awarded."

SECTION 5.(g) G.S. 159G-36(c) reads as rewritten:

"(c) Reserve Recipient Limit. – The following limits apply to a loan or grant made from the Wastewater Reserve or the Drinking Water Reserve to the same local government unit or nonprofit water corporation:

- (1) The amount of loans awarded for a fiscal year may not exceed ~~three million dollars (\$3,000,000)~~ five hundred thousand dollars (\$3,500,000).
- (2) The amount of loans awarded for three consecutive fiscal years for targeted interest rate projects may not exceed ~~three million dollars (\$3,000,000)~~ five hundred thousand dollars (\$3,500,000).
- (3) The amount of high-unit-cost grants awarded for three consecutive fiscal years may not exceed ~~three million dollars (\$3,000,000)~~ five hundred thousand dollars (\$3,500,000).
- (4) The amount of technical assistance grants awarded for three consecutive fiscal years may not exceed fifty thousand dollars (\$50,000)."

SECTION 5.(h) Chapter 159G of the General Statutes is amended by adding a new Article to read:

"Article 3.

"Water Infrastructure Grants Administered by Rural Center.

"§ 159G-50. Definitions.

The definitions in G.S. 159G-20 and the following definitions apply in this Article:

- (1) Ability to pay. – An assessment of the ability of a local government unit to pay for a water infrastructure project as calculated annually by the Division of Community Assistance in the Department of Commerce.
- (2) Economically distressed area. – Any of the following:

- a. An economically distressed county as defined in G.S. 143B-437.01.
 - b. That part of a county in which the poverty rate is at least one hundred fifty percent (150%) of the State poverty rate. The poverty rate is the percentage of the population whose income is below the most recent federal poverty level set by the U.S. Bureau of the Census.
 - c. That part of a county that experiences an actual or imminent loss of jobs in a number equal to or greater than five percent (5%) of the total number of jobs in the part.
- (3) Rural county. – A county with a population density of fewer than 250 people per square mile based on the most recent federal decennial census.

"§ 159G-51. Management of Rural Center Reserve.

The Rural Center administers grants from the Rural Center Reserve. The Rural Center must use one-half of the revenue credited to the Rural Center Reserve under G.S. 159G-21 for grants for wastewater collection system projects, wastewater treatment works projects, and planning for those projects. The Rural Center must use one-half of the revenue credited to the Rural Center Reserve under G.S. 159G-21 for public water system projects.

"§ 159G-52. Entities and projects eligible for grants.

(a) Entities. – Only a local government unit is eligible for a grant from the Rural Center Reserve. A local government unit must meet the eligibility requirements established for a type of grant to be eligible for it.

(b) Projects. – The Rural Center is authorized to make grants from the Rural Center Reserve for the following types of projects:

- (1) Wastewater collection system.
- (2) Wastewater treatment works.
- (3) Public water system.
- (4) Wastewater and drinking water infrastructure planning.

"§ 159G-53. Grants available from Rural Center Reserve.

(a) Types. – The Rural Center is authorized to make the types of grants listed in this section from the Rural Center Reserve. Each type of grant must be administered through a separate account within the Rural Center Reserve. The Rural Center is not authorized to make loans from the Rural Center Reserve.

(b) Planning Grant. – A grant is available for the costs associated with preliminary planning for wastewater collection system projects, wastewater treatment works projects, and public water system projects. Preliminary planning includes developing a capital improvement plan, developing a comprehensive land-use plan, conducting a study, assembling a financing plan, completing a grant application, and preparing a preliminary engineering report for a proposed project. A planning grant is subject to the following restrictions:

- (1) Eligibility. – A local government unit is eligible for a planning grant if it meets at least one of the following criteria:
 - a. It is a rural county or is located in a rural county.
 - b. It is an economically distressed county or is located in an economically distressed county or an economically distressed area.
 - c. Its plan is a regional plan involving two or more units of local government each of which is either a local government that satisfies the condition of either sub-subdivision a. or b. of this subdivision or a municipality with a population of less than 10,000 that is not in a rural county and at least one of which is a local government that satisfies the condition of either sub-subdivision a. or b. of this subdivision.
- (2) Maximum. – A planning grant may not exceed forty thousand dollars (\$40,000) for each unit of local government.
- (3) Matching funds. – A local government unit must match a planning grant on a dollar-for-dollar basis unless the unit meets all of the following descriptions. If it meets these descriptions, the Rural Center may require a match of less than fifty percent (50%) or provide that no match is required.
 - a. It is an economically distressed county or located in an economically distressed county.
 - b. Its poverty rate is at least one hundred fifty percent (150%) of the State poverty rate.
 - c. If it is not a county, its ability to pay is less than fifty percent (50%) of the ability to pay of the county in which it is located.

(c) Supplemental Grant. – A grant is available to match other funds to be applied to the construction costs of a project. Other funds include federal funds, State funds received under Article 2 of this Chapter, and local funds. A supplemental grant is subject to the following restrictions:

- (1) Eligibility. – A local government unit is eligible for a supplemental grant if it meets the following criteria:
 - a. It is a rural county or is located in a rural county.
 - b. It adopts an ordinance that sets the household user fee for water and sewer service in the area served by the project at an amount that equals or exceeds the high-unit-cost threshold and that becomes effective no later than the first day of the first month after the completion date of the project.
- (2) Maximum. – A supplemental grant may not exceed five hundred thousand dollars (\$500,000).

- (3) Matching funds. – A local government unit must match a supplemental grant on a dollar-for-dollar basis unless the unit meets all of the following descriptions. If it meets these descriptions, the Rural Center may require a match of less than fifty percent (50%) or provide that no match is required.
- a. It is an economically distressed county or is located in an economically distressed county.
 - b. Its poverty rate is at least one hundred fifty percent (150%) of the State poverty rate.
 - c. If it is not a county, its ability to pay is less than fifty percent (50%) of the ability to pay of the county in which it is located.

(d) Unserved Community Grant. – A grant is available to develop a public water system or a publicly owned wastewater collection system or wastewater treatment works. An unserved community grant is subject to the following restrictions:

- (1) Eligibility. – A local government unit is eligible for an unserved community grant if meets the following criteria:
 - a. It contains a community that is not served by a public water system or a centralized, publicly owned wastewater collection system or wastewater treatment works.
 - b. Its population does not exceed 5,000 based on the most recent annual population estimates certified by the State Budget Officer.
 - c. Its median household income does not exceed ninety percent (90%) of the national median household income, based on data from the most recent federal decennial census and updated by the U.S. Department of Housing and Urban Development's annual estimated income adjustment factors.
 - d. It adopts an ordinance that sets the household user fee for water and sewer service in the area served by the project at an amount that equals or exceeds the high-unit-cost threshold and that becomes effective no later than the first day of the first month after the completion date of the project.
 - e. It established that the system or works is financially feasible with sufficient users and revenues to provide for operations, maintenance, and a capital reserve.
- (2) Maximum. – An unserved community grant may not exceed either of the following:
 - a. Ninety percent (90%) of the costs of the project for which the grant is awarded.

- b. Three million five hundred thousand dollars (\$3,500,000) over the period of three consecutive fiscal years.
- (3) Matching funds. – A local government unit must match an unserved community grant on a nine-to-one basis to provide an amount equal to ten percent (10%) of the grant from the Rural Center. If a local government unit satisfies all of the conditions listed in subdivision (3) of subsection (c) of this section, the Rural Center may reduce or waive the amount of the local match.

"§ 159G-54. Criteria for grants.

The common criteria in G.S. 159G-23, the criteria set out in this section, and any other criteria established by the Board of Directors of the Rural Center apply to a grant from the Rural Center Reserve. An application for a project that serves an economically distressed area has priority over a project that does not.

"§ 159G-55. Application.

An application for a grant from the Rural Center Reserve must be submitted to the Rural Center. An application must be submitted on a form prescribed by the Rural Center and must contain the information required by the Rural Center. An applicant must submit to the Rural Center any additional information requested by the Rural Center to enable the Rural Center to make a determination on the application. An application that does not contain information required on the application or requested by the Rural Center is incomplete and is not eligible for consideration. An applicant may submit an application in as many categories as it is eligible for consideration under this Article.

"§ 159G-56. Environmental assessment.

An application submitted under this Article for any grant other than a water infrastructure planning grant must state whether the project to be funded by the grant requires an environmental assessment. If the application indicates that an environmental assessment is not required, it must identify the exclusion in the North Carolina Environmental Policy Act, Article 1 of Chapter 113A of the General Statutes that applies to the project. An application that does not identify an exclusion in the North Carolina Environmental Policy Act must include the environmental assessment of the project's probable impacts on the environment.

"§ 159G-57. Review of applications and award of grant.

(a) Point Assignment. – The Rural Center must review all grant applications filed under this Article for an application period and must rank each application in accordance with the points assigned to the evaluation criteria. The Rural Center must make a written determination of an application's rank and attach the determination to the application. The Rural Center's determination of rank is conclusive.

(b) Reconsideration. – When an application's rank is too low to receive an award of a grant for an application period, the Rural Center must include the application with those considered for the next application period. If the application's rank is again too low to receive an award, the application is not

eligible for consideration in a subsequent application period. An applicant whose application does not receive an award after review in two application periods may file a new application.

(c) Notification of Decision. – When the Rural Center determines that an application's rank makes it eligible for an award of a grant, the Rural Center must send the applicant a letter of intent to award the grant. The notice must set out any conditions the applicant must meet to receive an award of a grant. When the applicant satisfies the conditions set out in the letter of intent, the Rural Center must send the applicant an offer to award a grant. The applicant must give the Rural Center written notice of whether it accepts or rejects the offer. A grant is considered awarded when an offer to award the grant is issued.

"§ 159G-58. Disbursement of grant.

A planning grant awarded under this Article may be disbursed in one payment. Other grants awarded under this Article must be disbursed in two or more payments based on the progress of the project for which the grant was awarded. To obtain a payment, a grant recipient must submit a request for payment to the Rural Center and document the expenditures for which the payment is requested. The Rural Center must review the payment request. If the Rural Center determines that payment is appropriate, the Rural Center must submit to the State Treasurer a request for disbursement of the payment amount to the grant recipient.

"§ 159G-59. Withdrawal of grant.

An award for a grant for a project is withdrawn if the applicant fails to enter into a construction contract for the project within the required time set in this section. For a supplemental grant, the required time is one year after the date of the award. For an unserved community grant, the required time is 18 months after the date of the award. If the Board of Directors of the Rural Center finds that the applicant has good cause for the failure to meet the time requirement, the Rural Center may set another date by which the applicant must take action or forfeit the grant. This section does not apply to a water infrastructure planning grant.

"§ 159G-60. Inspection of project.

(a) Authority. – The Rural Center may inspect a project for which it awards a grant under this Article to determine the progress made on the project and whether the construction of the project is consistent with the project described in the grant application. The inspection may be performed by personnel of the Rural Center or by a professional engineer licensed under Chapter 89C of the General Statutes.

(b) Disqualification. – An individual may not perform an inspection of a project under this section if the individual meets any of the following criteria:

- (1) Is an officer or employee of the local government unit that received the grant award for the project.
- (2) Is an owner, officer, employee, or agent of a contractor or subcontractor engaged in the construction of the project for which the grant was made."

SECTION 5.(i) G.S. 113A-252 reads as rewritten:

"§ 113A-252. Definitions.

The following definitions apply in this Article:

- (1) Council. – The advisory council for the Clean Water Management Trust Fund.
- (2) Economically distressed local government unit. – An economically distressed county, as defined in G.S. 143B-437.01, or a local government unit located in that county.
- (3) Fund. – The Clean Water Management Trust Fund created pursuant to this Article.
- (4) Land. – Real property and any interest in, easement in, or restriction on real property.
- (4a) Local government unit. – Defined in G.S. 159G-20.
- (4b) Stormwater quality project. – Defined in G.S. 159G-20.
- (5) Trustees. – The trustees of the Clean Water Management Trust Fund.
- ~~(6) Wastewater collection system. – Defined in G.S. 159G-20.~~
- ~~(7) Wastewater treatment works. – Defined in G.S. 159G-20."~~

SECTION 5.(j) G.S. 113A-253(c) reads as rewritten:

"(c) Fund Purposes. – Moneys from the Fund are appropriated annually to finance projects to clean up or prevent surface water pollution in accordance with this Article. Revenue in the Fund may be used for any of the following purposes:

- (1) To acquire land for riparian buffers for the purposes of providing environmental protection for surface waters and urban drinking water supplies and establishing a network of riparian greenways for environmental, educational, and recreational uses and to retire debt incurred for this purpose under Article 9 of Chapter 142 of the General Statutes.
- (2) To acquire conservation easements or other interests in real property for the purpose of protecting and conserving surface waters and urban drinking water supplies and to retire debt incurred for this purpose under Article 9 of Chapter 142 of the General Statutes.
- (3) To coordinate with other public programs involved with lands adjoining water bodies to gain the most public benefit while protecting and improving water quality and to retire debt incurred for this purpose under Article 9 of Chapter 142 of the General Statutes.
- (4) To restore previously degraded lands to reestablish their ability to protect water quality and to retire debt incurred for this purpose under Article 9 of Chapter 142 of the General Statutes.
- ~~(5) To repair failing wastewater collection systems and wastewater treatment works if the repair is a reasonable remedy for resolving~~

~~an existing waste treatment problem and the repair is not for the purpose of expanding the system to accommodate future anticipated growth of a community.~~

- ~~(6) To repair and eliminate failing septic tank systems, to eliminate illegal drainage connections, and to expand a wastewater collection system or wastewater treatment works if the expansion eliminates failing septic tank systems or illegal drainage connections.~~
- (7) To finance stormwater quality projects.
- (8) To facilitate planning that targets reductions in surface water pollution.
- (9) To fund operating expenses of the Board of Trustees and its staff."

SECTION 5.(k) G.S. 113A-254 reads as rewritten:

"§ 113A-254. Grant requirements.

(a) Eligible Applicants. – Any of the following are eligible to apply for a grant from the Fund for the purpose of protecting and enhancing water quality:

- (1) A State agency.
- (2) A local government unit.
- (3) A nonprofit corporation whose primary purpose is the conservation, preservation, and restoration of our State's environmental and natural resources.

(a1) Criteria. – The criteria developed by the Trustees under G.S. 113A-256 apply to grants made under this Article. The common criteria for water projects set in G.S. 159G-23 and the criteria set out in this section also apply to ~~wastewater collection system projects, wastewater treatment works projects, and~~ stormwater quality projects. ~~An application for a wastewater collection system project or a wastewater treatment works project that serves an economically distressed local government unit has priority.~~

(b) Matching Requirement. – The Board of Trustees shall establish matching requirements for grants awarded under this Article. This requirement may be satisfied by the donation of land to a public or private nonprofit conservation organization as approved by the Board of Trustees. The Board of Trustees may also waive the requirement to match a grant pursuant to guidelines adopted by the Board of Trustees.

(c) Restriction. – No grant shall be awarded under this article to satisfy compensatory mitigation requirements under 33 USC § 1344 or G.S. 143-214.11.

~~(d) Wastewater Limits. — A wastewater collection system project or a wastewater treatment works project is eligible for a grant under this Article only if it is a high unit cost project, as defined in G.S. 159G-20. A grant made under this Article for a wastewater collection system project or a wastewater treatment works project is subject to the cost limits and recipient limits set in G.S. 159G-36 for a grant awarded from the Wastewater Reserve.~~

(e) **Stormwater Limits.** – The amount of a grant awarded under this Article for a stormwater quality project may not exceed the construction costs of the project. The total amount of grants awarded under this Article to the same recipient for stormwater quality projects for a fiscal year may not exceed the limit set in G.S. 159G-36(c)(1) for grants to the same recipient from the Wastewater Reserve.

(f) **Withdrawal.** – An award of a grant under this Article is withdrawn if the grant recipient fails to enter into a construction contract for the project within one year after the date of the award, unless the Trustees find that the applicant has good cause for the failure. If the Trustees find good cause for a recipient's failure, the Trustees must set a date by which the recipient must take action or forfeit the grant."

SECTION 6. Allocation of proceeds. – The proceeds of Clean Water Bonds and notes, including premium thereon, if any, except the proceeds of bonds the issuance of which has been anticipated by bond anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a special fund to be designated "2007 Clean Water Bonds Fund", which may include such appropriate special accounts therein as may be determined by the State Treasurer and shall be disbursed as provided in this act. Moneys in the 2007 Clean Water Bonds Fund shall be allocated and expended as provided in this act.

Any additional moneys which may be received by means of a grant or grants from the United States of America or any agency or department thereof or from any other source for deposit to the 2007 Clean Water Bonds Fund may be placed in the 2007 Clean Water Bonds Fund or in a separate account or fund and shall be disbursed, to the extent permitted by the terms of the grant or grants, without regard to any limitations imposed by this act.

Moneys in the 2007 Clean Water Bonds Fund or any separate clean water fund or account established under this act may be invested from time to time by the State Treasurer in the same manner permitted for investment of moneys belonging to the State or held in the State treasury, except with respect to grant money to the extent otherwise directed by the terms of the grant. Investment earnings, except investment earnings with respect to grant moneys to the extent otherwise directed or restricted by the terms of the grant, may be (i) credited to the 2007 Clean Water Bonds Fund or any separate clean water fund or account established under this act, (ii) used to pay debt service on the bonds authorized by this act, (iii) used to satisfy compliance with applicable requirements of the federal tax law, or (iv) transferred to the General Fund of the State.

The proceeds of bonds and notes may be used with any other moneys made available by the General Assembly for making grants and loans authorized by this act, including the proceeds of any other State bond issues, whether heretofore made available or which may be made available at the session of the General Assembly at which this act is ratified or any subsequent sessions. The proceeds of bonds and notes shall be expended and disbursed under the direction

and supervision of the Director of the Budget. The funds provided by this act shall be disbursed for the purposes provided in this act upon warrants drawn on the State Treasurer by the State Controller, which warrants shall not be drawn until requisition has been approved by the Director of the Budget and which requisition shall be approved only after full compliance with the Executive Budget Act, Article 1 of Chapter 143 of the General Statutes.

SECTION 7. Election. – The question of the issuance of the bonds authorized by this act shall be submitted to the qualified voters of the State at an election to be held on the first Tuesday after the first Monday of November 2007. Any other primary, election, or referendum validly called or scheduled by law at the time the election on the bond question provided for in this section is held may be held as called or scheduled. Notice of the election shall be given in the manner and at the times required by G.S. 163-33(8). The election and the registration of voters therefor shall be held under and in accordance with the general laws of the State. Absentee ballots shall be authorized in the election.

The State Board of Elections shall reimburse the counties of the State for all necessary expenses incurred in holding the election that are in addition to those that would have otherwise been incurred, the same to be paid out of the Contingency and Emergency Fund or other funds available to the State Board of Elections.

Ballots, voting systems authorized by Article 14 of Chapter 163 of the General Statutes, or both, may be used in accordance with rules prescribed by the State Board of Elections. The bond questions to be used in the ballots or voting systems shall be in substantially the following form:

" FOR AGAINST

The issuance of one billion dollars (\$1,000,000,000) State of North Carolina Clean Water Bonds constituting general obligation bonds of the State secured by a pledge of the faith and credit and taxing power of the State for the purpose of providing funds, with any other available funds, to make loans and grants to local government units and nonprofit entities to pay all or a portion of the cost of clean water projects. No more than an aggregate amount of two hundred million dollars (\$200,000,000) of bonds may be issued under this authorization before July 1, 2008. No more than an aggregate amount of four hundred million dollars (\$400,000,000) of bonds may be issued under this authorization before July 1, 2009. No more than an aggregate amount of six hundred million dollars (\$600,000,000) of bonds may be issued under this authorization before July 1, 2010. No more than an aggregate amount of eight hundred million dollars (\$800,000,000) of bonds may be issued under this authorization before July 1, 2011."

If a majority of those voting on the bond question in the election vote in favor of the issuance of the bonds, those bonds may be issued as provided in this act. If a majority of those voting on the bond question in the election vote against the issuance of the bonds, those bonds shall not be issued.

The results of the election shall be canvassed and declared as provided by law for elections for State officers; the results of the election shall be certified by the State Board of Elections to the Secretary of State, in the manner and at the time provided by the general election laws of the State.

SECTION 8. Issuance of bonds and notes. (a) Terms and conditions. – Bonds or notes may bear such date or dates, may be serial or term bonds or notes, or any combination thereof, may mature in such amounts and at such time or times, not exceeding 40 years from their date or dates, may be payable at such place or places, either within or without the United States of America, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts, may bear interest at such rate or rates, which may vary from time to time, and may be made redeemable before maturity, at the option of the State or otherwise as may be provided by the State, at such price or prices, including a price less than the face amount of the bonds or notes, and under such terms and conditions, all as may be determined by the State Treasurer, by and with the consent of the Council of State.

SECTION 8.(b) Signatures; form and denomination; registration. – Bonds or notes may be issued in certificated or uncertificated form. If issued in certificated form, bonds or notes shall be signed on behalf of the State by the Governor or shall bear the Governor's facsimile signature, shall be signed by the State Treasurer or shall bear the State Treasurer's facsimile signature, and shall bear the Great Seal of the State or a facsimile of the Seal shall be impressed or imprinted thereon. If bonds or notes bear the facsimile signatures of the Governor and the State Treasurer, the bonds or notes shall also bear a manual signature which may be that of a bond registrar, trustee, paying agent, or designated assistant of the State Treasurer. Should any officer whose signature or facsimile signature appears on bonds or notes cease to be such officer before the delivery of the bonds or notes, the signature or facsimile signature shall nevertheless have the same validity for all purposes as if the officer had remained in office until delivery. Bonds or notes may bear the facsimile signatures of persons who at the actual time of the execution of the bonds or notes shall be the proper officers to sign any bond or note although at the date of the bond or note such persons may not have been such officers. The form and denomination of bonds or notes, including the provisions with respect to registration of the bonds or notes and any system for their registration, shall be as the State Treasurer may determine in conformity with this act.

SECTION 8.(c) Manner of sale; expenses. – Subject to the approval by the Council of State as to the manner in which bonds or notes shall be offered for sale, whether at public or private sale, whether within or without the United States, and whether by publishing notices in certain newspapers and financial journals, mailing notices, inviting bids by correspondence, negotiating contracts of purchase or otherwise, the State Treasurer is authorized to sell bonds or notes at one time or from time to time at any rate or rates of interest, which may vary from time to

time, and at any price or prices, including a price less than the face amount of the bonds or the notes, as the State Treasurer may determine. All expenses incurred in the preparation, sale, and issuance of bonds or notes shall be paid by the State Treasurer from the proceeds of bonds or notes or other available moneys.

SECTION 8.(d) Notes; repayment.–

- (1) By and with the consent of the Council of State, the State Treasurer is hereby authorized to borrow money and to execute and issue notes of the State for the same, but only in the following circumstances and under the following conditions:
 - a. For anticipating the sale of bonds the issuance of which the Council of State has approved, if the State Treasurer considers it advisable to postpone the issuance of the bonds;
 - b. For the payment of interest on or any installment of principal of any bonds then outstanding, if there are not sufficient funds in the State treasury with which to pay the interest or installment of principal as they respectively become due;
 - c. For the renewal of any loan evidenced by notes herein authorized;
 - d. For the purposes authorized in this act; and
 - e. For refunding bonds or notes as herein authorized.
- (2) Funds derived from the sale of bonds or notes may be used in the payment of any bond anticipation notes issued under this act. Funds provided by the General Assembly for the payment of interest on or principal of bonds shall be used in paying the interest on or principal of any notes and any renewals thereof, the proceeds of which shall have been used in paying interest on or principal of the bonds.

SECTION 8.(e) Refunding bonds and notes. – By and with the consent of the Council of State, the State Treasurer is authorized to issue and sell refunding bonds and notes for the purpose of refunding bonds or notes issued pursuant to this act and to pay the cost of issuance of the refunding bonds or notes. The refunding bonds and notes may be combined with any other issues of State bonds and notes similarly secured. Refunding bonds or notes may be issued at any time prior to the final maturity of the debt or obligation to be refunded. The proceeds from the sale of any refunding bonds or notes shall be applied to the immediate payment and retirement of the bonds or notes being refunded or, if not required for the immediate payment of the bonds or notes being refunded, the proceeds shall be deposited in trust to provide for the payment and retirement of the bonds or notes being refunded and to pay any expenses incurred in connection with the refunding. Money in a trust fund may be invested in (i) direct obligations of the United States government, (ii) obligations the principal of and interest on

which are guaranteed by the United States government, (iii) obligations of any agency or instrumentality of the United States government if the timely payment of principal and interest on the obligations is unconditionally guaranteed by the United States government, or (iv) certificates of deposit issued by a bank or trust company located in the State if the certificates are secured by a pledge of any of the obligations described in (i), (ii), or (iii) above having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured. This section does not limit the duration of any deposit in trust for the retirement of bonds or notes being refunded but that have not matured and are not presently redeemable, or if presently redeemable, have not been called for redemption.

SECTION 8.(f) Tax exemption. – Bonds and notes shall at all times be free from taxation by the State or any political subdivision or any of their agencies, excepting estate, inheritance, or gift taxes, income taxes on the gain from the transfer of the securities, and franchise taxes. The interest on the securities is not subject to taxation as income.

SECTION 8.(g) Investment eligibility. – Bonds and notes are securities in which all of the following may invest, including capital in their control or belonging to them: public officers, agencies, and public bodies of the State and its political subdivisions, all insurance companies, trust companies, investment companies, banks, savings banks, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Bonds and notes are hereby made securities which may properly and legally be deposited with and received by any officer or agency of the State or political subdivision of the State for any purpose for which the deposit of bonds, notes, or obligations of the State or any political subdivision is now or may hereafter be authorized by law.

SECTION 8.(h) Faith and credit. – The faith and credit and taxing power of the State are hereby pledged for the payment of the principal of and the interest on bonds and notes. In addition to the State's right to amend any provision of this act to the extent it does not impair any contractual right of a bond owner, the State expressly reserves the right to amend any provision of this act with respect to the making and repayment of loans, the disposition of any repayments of loans, and any intercept provisions relating to the failure of a local government unit to repay a loan, the bonds not being secured in any respect by loans, any repayments thereof, or any intercept provisions with respect thereto.

SECTION 8.(i) Minority business participation. – The State Treasurer shall provide contracting opportunities for historically underutilized businesses in providing professional services in connection with the issuance of bonds and notes authorized by this act. As used in this subsection, the term "historically underutilized business" means a business described in G.S. 143-48. The State

Treasurer shall strive to increase the amount of legal, financial, and other professional services acquired by it from historically underutilized businesses. With the assistance of the Office for Historically Underutilized Businesses in the Department of Administration, the State Treasurer shall set objectives for contracting with these businesses, identify and eliminate barriers or constraints that may restrict these businesses from contracting with the State Treasurer, and develop a plan for meeting its objectives. The State Treasurer shall report quarterly to the Office for Historically Underutilized Businesses on its progress in carrying out the requirements of this subsection.

SECTION 9. Variable rate demand bonds and notes. – In fixing the details of bonds and notes, the State Treasurer may provide that any of the bonds or notes may:

- (1) Be made payable from time to time on demand or tender for purchase by the owner if a credit facility supports the bonds or notes, unless the State Treasurer specifically determines that a credit facility is not required upon a finding and determination by the State Treasurer that the absence of a credit facility will not materially or adversely affect the financial position of the State and the marketing of the bonds or notes at a reasonable interest cost to the State;
- (2) Be additionally supported by a credit facility;
- (3) Be made subject to redemption or a mandatory tender for purchase prior to maturity;
- (4) Bear interest at a rate or rates that may vary for any period of time, as may be provided in the proceedings providing for the issuance of the bonds or notes, including, without limitation, such variations as may be permitted pursuant to a par formula; and
- (5) Be made the subject of a remarketing agreement whereby an attempt is made to remarket bonds or notes to new purchasers prior to their presentment for payment to the provider of the credit facility or to the State.

If the aggregate principal amount payable by the State under a credit facility is in excess of the aggregate principal amount of bonds or notes secured by the credit facility, whether as a result of the inclusion in the credit facility of a provision for the payment of interest for a limited period of time or the payment of a redemption premium or for any other reason, then the amount of authorized but unissued bonds or notes during the term of such credit facility shall not be less than the amount of such excess, unless the payment of such excess is otherwise provided for by agreement of the State executed by the State Treasurer.

SECTION 10. Interpretation of act. – (a) Additional method. – The foregoing sections of this act shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby and shall be

regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of any powers now existing.

SECTION 10.(b) Statutory references. – References in this act to specific sections or Chapters of the General Statutes or to specific acts are intended to be references to these sections, Chapters, or acts as they may be amended from time to time by the General Assembly.

SECTION 10.(c) Broad construction. – This act, being necessary for the health and welfare of the people of the State, shall be broadly construed to effect the purposes thereof.

SECTION 10.(d) Inconsistent provisions. – Insofar as the provisions of this act are inconsistent with the provisions of any general, special, or local laws, or parts thereof, the provisions of this act shall be controlling.

SECTION 10.(e) Severability. – If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

SECTION 11. This act is effective when it becomes law.

LEGISLATIVE PROPOSAL II

A BILL TO BE ENTITLED
AN ACT EXEMPT FUEL SOLD TO MANUFACTURERS FROM THE SALES
AND USE TAX, THE EXCISE TAX ON PIPED NATURAL GAS, AND
THE EXCISE TAX ON MANUFACTURING FUEL AND CERTAIN
MACHINERY AND EQUIPMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.4(1f)b. is repealed.

SECTION 2. G.S. 105-164.4(1h) is repealed.

SECTION 3. G.S. 105-164.13 is amended by adding a new subdivision to read:

"§ 105-164.13. **Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following tangible personal property and services are specifically exempted from the tax imposed by this Article:

...

(56) Fuel, including electricity, sold to a manufacturer for use in connection with the operation of the manufacturing facility."

SECTION 4. G.S. 105-187.41(c) reads as rewritten:

"(c) ~~Gas City Exemption.~~Exemptions. – The tax imposed by this section does not apply to ~~pip~~the following:

(1) Piped natural gas received by a gas city for consumption by that ~~city or to piped~~city.

(2) Piped natural gas delivered by a gas city to a sales or transportation customer of the gas city.

(3) Piped natural gas received by a manufacturer for use in connection with the operation of the manufacturing facility."

SECTION 5. G.S. 105-187.51A is repealed.

SECTION 6. This act becomes effective July 1, 2007. Sections 1 through 3 of this act apply to sales made on or after that date, Section 4 of this act applies to deliveries made on or after that date, and Section 5 applies to purchases made on or after that date.

LEGISLATIVE PROPOSAL III

A BILL TO BE ENTITLED
AN ACT CHANGE THE SCHOOL CAPITAL CONSTRUCTION FORMULA
IN THE STATE LOTTERY ACT TO PROVIDE FOR DISTRIBUTION OF
ALL THE FUNDS BASED ON AVERAGE DAILY MEMBERSHIP..

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 115C-546.2(d) reads as rewritten:

"(d) Monies transferred into the Fund in accordance with Chapter 18C of the General Statutes shall be allocated for capital projects for school construction projects as follows:

~~(1) A sum equal to sixty five percent (65%) of those monies transferred in accordance with G.S. 18C 164 shall be allocated on a per average daily membership basis according to the average daily membership for the budget year as determined and certified by the State Board of Education.~~

~~(2) A sum equal to thirty five percent (35%) of those monies transferred in accordance with G.S. 18C 164 shall be allocated to those local school administrative units located in whole or part in counties in which the effective county tax rate as a percentage of the effective State average tax rate is greater than one hundred percent (100%), with the following definitions applying to this subdivision:~~

~~a. "Effective county tax rate" means the actual county tax rate multiplied by a three year weighted average of the most recent annual sales assessment ratio studies.~~

~~b. "State average effective tax rate" means the average effective county tax rates for all counties.~~

~~c. "Sales assessment ratio studies" means sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).~~

~~(3) No county shall have to provide matching funds required under subsection (c) of this section.~~

~~(4) A county may use monies in this Fund to pay for school construction projects in local school administrative units and to retire indebtedness incurred for school construction projects incurred on or after January 1, ~~2003~~2000.~~

~~(5) A county may not use monies in this Fund to pay for school technology needs."~~

SECTION 2. This act becomes effective July 1, 2007.

LEGISLATIVE PROPOSAL IV

A BILL TO BE ENTITLED
AN ACT TO ENCOURAGE ECONOMIC GROWTH IN RURAL NORTH
CAROLINA BY EXPANDING THE SMALL TOWNS ECONOMIC
PROSPERITY PROGRAM AND INCENTIVES TO REUSE AND
RENNOVATE VACANT BUILDINGS AND TO APPROPRIATE FUNDS
TO THE RURAL ECONOMIC DEVELOPMENT CENTER, INC., FOR THE
SMALL TOWNS ECONOMIC PROSPERITY PROGRAM AND THE
BUILDING REUSE PROGRAM.

Whereas, shifts in the economy away from traditional manufacturing have left many plants and downtown businesses vacant across the State; and

Whereas, when located in rural areas, these vacant buildings usually remain vacant, and

Whereas, in 2004 the General Assembly established the Building Reuse and Restoration Program within the Rural Economic Center, Inc., as a part of the Rural Economic Infrastructure Fund; and

Whereas, the Building Reuse and Restoration Program has been successful in spurring economic activity and job creation by assisting in the productive reuse of vacant buildings in small towns, and

Whereas, since 2004, the Building Reuse and Restoration Program has funded 43 projects resulting in private sector businesses creating jobs for 2279 people, and

Whereas, in 2005, the General Assembly decided to include the Building Reuse and Restoration program in the recurring budget; and

Whereas, in 2006 the Rural Economic Development Center, Inc. initiated the Small Towns Economic Prosperity Program and selected 33 small towns to design and carry out economic expansion strategies, and

Whereas, many more small towns have shown a readiness to help their economy transition from economic decline toward recovery, Now, therefore, The General Assembly of North Carolina enacts:

SECTION 1. There is appropriated to the Rural Economic Development Center, Inc., the sum of six million nine hundred fifty thousand dollars (\$6,950,000) for fiscal year 2007-2008 and the sum of million nine hundred fifty thousand dollars (\$6,950,000) for the fiscal year 2008-2008 to be used as follows:

(1) To provide matching grants to local governments in distressed areas that will productively reuse vacant buildings and properties, with priority given to towns or communities with population of less than 5,000.

(2) To provide a brownfields incentive fund of up to one million dollars (\$1,000,000) in each year to help small towns assess and remediate environmental contamination at the sites of abandoned buildings and to prepare them for reuse.

(3) To provide up to three million seven hundred fifty dollars (\$3,750,000) for expanding the Small Towns Economic Prosperity Program and

grants to stimulate innovative economic recovery and expansion projects in small towns.

(4) To provide up to four percent of the funds appropriated under this section for the use of the Rural Economic Development Center, Inc. in administering grants and delivering technical assistance to local governments.

SECTION 2. This act becomes effective July 1, 2007.

LEGISLATIVE PROPOSAL V

**A BILL TO BE ENTITLED
AN ACT TO APPROPRIATE FUNDS TO THE RURAL ECONOMIC
DEVELOPMENT CENTER, INC. TO EXPAND THE COMMUNITY
DEVELOPMENT CORPORATION GRANTS PROGRAM.**

Whereas, since 1988, the State has appropriated funds to the Rural Economic Development Center, Inc., to provide financial and technical assistance to new and emerging minority community development corporations to build capacity and grow their services, including business loans, revitalization of commercial districts, low and moderate income housing,, child care, youth development programs, job training, long-term community planning and other activities, and

Whereas, the Community Development Corporation grants program has grown to include at least 27 corporations each year resulting in a reduction in funds available for each organization, and

Whereas, funding provided through the Community Development Corporations grants program has been critical to the success and survival of these organizations by providing them with needed assistance with organizational, business, commercial real estate, and housing development activities, Now therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a). For purposes of this section, the term "community development corporation" means a nonprofit corporation:

- (1) Chartered pursuant to Chapter 55A of the General Statutes;
- (2) Tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code of 1986;
- (3) Whose primary mission is to develop and improve low-income communities and neighborhoods through economic and related development;
- (4) Whose activities and decisions are initiated, managed, and controlled by the constituents of those local communities; and
- (5) Whose primary function is to act as deal maker and packager of projects and activities that will increase their constituencies' opportunities to become owners, managers, and producers of small businesses, affordable housing, and jobs designed to produce positive cash flow and curb blight in the targeted community.

SECTION 1.(b) There is appropriated to the Rural Economic Development Center, Inc., the sum of two million, five hundred ninety seven thousand, four hundred ten dollars (\$2,597,410) for the 2007-2008 fiscal year and the sum of two million, five hundred ninety seven thousand, four hundred ten dollars (\$2,597,410) for the 2008-2009 fiscal year to be allocated as follows:

- (1) \$2,547,410 in each fiscal year for community development grants to support development projects and activities within the State's minority communities. Any new or previously funded community development corporation as defined in this section is eligible to apply for funds. The Rural Economic Development Center, Inc., shall establish performance-based criteria for determining which community development corporation will

receive a grant and the grant amount. The Rural Economic Development Center, Inc. shall allocate these funds as follows:

- (i) \$2,347,410 for direct grants to local community development corporations to support operations and project activities.
 - (ii) \$200,000 for direct technical assistance to help community development corporations implement high impact projects.
- (2) \$50,000 in each fiscal year to the Rural Economic Development Center, Inc., to be used to cover expenses in administering this section.

SECTION 2. This act becomes effective July 1, 2007.

LEGISLATIVE PROPOSAL VI

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO THE E-NC AUTHORITY TO INCREASE THE AVAILABILITY OF INTERNET CONNECTIVITY IN UNDERSERVED AREAS OF THE STATE THROUGH INCENTIVE GRANTS, TO PROVIDE ADDITIONAL FUNDING FOR GENERAL OPERATIONS, TO EXPAND THE FUNDING FOR THE E-NC BUSINESS AND TECHNOLOGY TELECENTERS PROGRAM, AND TO PROVIDE INCENTIVES TO E-COMMUNITIES, LOCAL E-GOVERNMENT

UTILIZATION PROGRAM PARTICIPANTS, AND E-COMMERCE INITIATIVES.

Whereas, the e-NC Authority is successfully pursuing its mandated goals of increasing access to affordable high-speed internet and creating 21st century jobs through technology-based economic development in the rural areas and the distressed urban areas of the State; and

Whereas, The e-NC Business and Technology Telecenters (BTT's) serve as catalysts to technology-based economic development in some of North Carolina's most distressed regions by helping to grow existing small businesses, bringing new kinds of businesses into rural communities and regions, stimulating and supporting entrepreneurship, and creating 21st century jobs; and

Whereas, The e-NC Authority works successfully with local governments, educational and health institutions and business by providing technical assistance to strengthen their technology capacities and service their communities by making available to the citizens technology services and resources, training, and public access to computers and the Internet; and

Whereas, The e-NC Authority supports citizens and communities through research, tracking of broadband Internet resources and by providing information about such infrastructure through GIS mapping on the e-NC Web site. This allows citizens' and businesses to view service offerings of telecommunications companies. E-NC answers broadband service inquiries about broadband access from citizens and businesses, economic development commissions, local and state agencies, and attempts to enable the inquirer to receive a timely responses to their concerns; and

Whereas, the work of the e-NC Authority has leveraged more than two hundred million (\$200,000,000) for investment into NC communities to carry out deployment of connectivity in working with private and public sector partners as well as more than eight million dollars (\$8,000,000) leveraged with its other major programs such as the Business and Technology Telecenters. These figures do not include the direct job creation through the Business and Technology Telecenters in Tier 1 & 2 areas, where more than 900 jobs were created between 2001 and 2005, Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a). There is appropriated from the General Fund to the Department of Commerce for allocation to the e-NC Authority, the sum of seven million five hundred thousand dollars (\$7,500,000) for the 2007-2008 fiscal year and the sum of seven million five hundred thousand dollars (\$7,500,000) for the 2008-2009 fiscal year to be used for high-speed internet connectivity (build-out infrastructure) incentive grants for service providers. These funds shall not revert except upon subsequent action of the General Assembly.

SECTION 1.(b). The incentive grants shall be awarded on a competitive basis and shall require a minimum one hundred percent (100%) cash match from bidding service providers. Service providers shall fund at least fifty

percent (50%) of the total project cost for each project. Companies shall ensure the number of additional households to be served as a result of the grant funding

SECTION 1.(c). It is the intent of the General Assembly that the incentive grant funds shall be used to provide at least seventy percent (70%) of the households in each county with the ability to access high-speed internet services by 2009. The amount of an incentive grant shall be awarded to the bid-winning service provider on a per household basis, for each new household for which access is made available. Incentives shall be provided only for households with no previous high-speed internet service solutions available. Funds for incentive grants shall be committed to service providers by December 31, 2008.

SECTION 1.(d) The e-NC Authority may use up to five percent (5%) of these funds to cover its expenses in grant-letting and monitoring, and general operations.

SECTION 2. There is appropriated from the General Fund to the Department of Commerce to be allocated to the e-NC Authority the sum of three hundred thousand dollars (\$300,000) for the 2007-2008 fiscal year and the sum of three hundred thousand dollars (\$300,000) for the 2008-2009 fiscal year to be used used as additional funding for general operations and research.

SECTION 3.(a). There is appropriated from the General Fund to the Department of Commerce to be allocated to the e-NC Authority the sum of two million dollars (\$2,000,000) for the 2007-2008 fiscal year for continued and expanded funding of the e-NC Business and Technology Telecenters program.

SECTION 3.(b). The e-NC Authority may use up to five percent (5%) of these funds to cover its expenses in program development and implementation of activity areas with the Business and Technology Telecenters program.

SECTION 4. There is appropriated from the General Fund to the Department of Commerce for allocation to the e-NC Authority the sum of two hundred thousand dollars (\$200,000) for the 2007-2008 fiscal year and the sum of two hundred thousand dollars (\$200,000) for the 2008- 2009 fiscal year to be used for competitive innovation grants to e-communities, Business and Technology Telecenters,, local e-government Utilization Program participants, and e-commerce initiatives for the development of model programs and value-added products that enhance the economy of their regions.

SECTION 5. The e-NC Authority shall work cooperatively with the following entities to carry out the purposes of this act: the Department of Commerce, The University of North Carolina System, the Community Colleges System Office, the local councils of government, the local chambers of commerce, the North Carolina Association of County Commissioners, the North Carolina League of Municipalities, the Regional Economic Development Partnerships, local economic developers, and the private and nonprofit sectors. The e-NC Authority may contract with other State agencies, The University of North Carolina System, the Community Colleges System Office, and nonprofit organizations to assist with program development and the evaluation of program activities.

SECTION 6. This act becomes effective July 1, 2007.

APPENDICES

APPENDIX A

10/4/2006 10:30 AM

James B. Black
Speaker



Office of the Speaker
North Carolina House of Representatives
Raleigh, North Carolina 27601-1096

HOUSE SELECT COMMITTEE ON THE RURAL ECONOMY

TO THE HONORABLE MEMBERS OF THE NORTH CAROLINA
HOUSE OF REPRESENTATIVES

Section 1. The House Select Committee on the Rural Economy (hereinafter "Select Committee") is established by the Speaker of the House of Representatives pursuant to G.S. 120-19.6 and Rule 26(a) of the Rules of the House of Representatives of the 2005 General Assembly.

Section 2. The Select Committee shall be composed of the eleven members listed below and appointed by the Speaker of the House of Representatives.

Representative Jim Harrell, Co-chair
Representative Bruce Goforth, Co-chair
Representative Bill Daughtridge
Representative Beverly Earle
Representative Pryor Gibson
Representative Earl Jones
Representative David Lewis
Representative Earline Parmon
Representative Karen Ray
Representative Russell Tucker
Representative Michael Wray

Section 3. The Select Committee may study all aspects of the economies of rural counties.

Section 4. The Select Committee shall meet upon the call of its Chair. A quorum of the Select Committee shall be a majority of its members, including the Chair.

Section 5. Members of the Select Committee shall receive per diem, subsistence, and travel allowance as provided in G.S. 120-3.1. The expenses of the Select Committee including per diem, subsistence, travel allowances for Select Committee members, and contracts for professional or consultant services shall be paid upon the written approval of the Speaker of the House of Representatives pursuant to G.S. 120-32.02(c) and G.S. 120-35 from funds available to the House of Representatives for its operations. Individual expenses of \$5,000 or less, including per diem, travel, and subsistence expenses of members of the Select Committee, and clerical expenses shall be paid upon the authorization of the Chair of the Select Committee. Individual expenses in excess of \$5,000 shall be paid upon the written approval of the Speaker of the House of Representatives.

Section 6. The members of the Select Committee serve at the pleasure of the Speaker of the House of Representatives. The Speaker of the House of Representatives shall fill vacancies and may dissolve the Select Committee at any time.

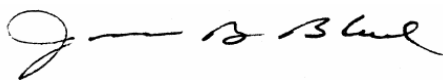
Section 7. The Legislative Services Officer shall assign professional and clerical staff to assist the Select Committee in its work. The Director of Legislative Assistants of the House of Representatives shall assign clerical support staff to the Select Committee.

Section 8. The Select Committee, while in the discharge of its official duties, may exercise all powers provided for under G.S. 120-19 and Article 5A of Chapter 120 of the General Statutes. The Select Committee may contract for professional, clerical, or consultant services as provided by G.S. 120-32.02.

Section 9. The Select Committee may meet at various locations around the State in order to promote greater public participation in its deliberations. The Legislative Services Commission shall grant adequate meeting space to the Select Committee in the State Legislative Building or the Legislative Office Building.

Section 10. The Select Committee may submit a final report on the results of its study, including any proposed legislation, to the members of the House of Representatives, on or before December 31, 2006, by filing a copy of the report with the Office of the Speaker of the House of Representatives and the Legislative Library. The Select Committee shall terminate on December 31, 2006, or upon the filing of its final report, whichever occurs first.

Effective this 4th day of October, 2006.



James B. Black
Speaker

APPENDIX B



HOUSE SELECT COMMITTEE ON
RURAL ECONOMY

<u>MEMBER</u>	<u>ASSISTANT</u>	<u>PHONE</u>	<u>OFFICE</u>
REP. D. BRUCE GOFORTH CHAIR	Ann Jordan	3-5862	1220 LB
REP. JIM HARRELL, III CHAIR	Beth LeGrande	5-1883	405 LOB
REP. BILL DAUGHTRIDGE	Rachel Dupree	3-5802	304B LOB
REP. BEVERLY EARLE	Ann Raeford	5-2530	634 LOB
REP. PRYOR GIBSON	Shirlyn MacPherson	5-3007	419A LOB
REP. EARL JONES	Sherrie Burnette	3-5825	536 LOB
REP. DAVID LEWIS	Marie Strickland	5-3015	509 LOB
REP. EARLINE PARMON	Pat Christmas	3-5829	632 LOB
REP. KAREN RAY	Linda Neal	3-5741	1025 LB
REP. RUSSELL TUCKER	Sally Gillis	5-3021	416B LOB
REP. MICHAEL WRAY	Mary Capps	3-5662	533 LOB

Erika Churchill, Committee Counsel Joy Hicks, Fiscal Research Staff
 Barbara Riley, Committee Counsel NC Fiscal Research Division
 NC Legislative Research Division 919-733-4910
 919-733-2578

Beth LeGrande
 Committee Assistant
 Office of Representative Jim Harrell
 919-715-1883