

June 17, 2002

H 1751. NC TOURISM DEVELOPMENT ACT (=S 1424). *TO CREATE A TRAVEL AND TOURISM CAPITAL INCENTIVE GRANT PROGRAM.* Identical to S 1424, introduced 06/13/02.

Intro. by Earle.

Ref. to Finance	GS 105, 143B
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September 17, 2002

H 1751. NC TOURISM DEVELOPMENT ACT. Intro. 6/17/02. House committee substitute makes the following changes to 1st edition.

Establishes the Travel and Tourism Grant Committee, consisting of the Secretary of Commerce, Secretary of Revenue, Director of the Office of State Budget and Management, and three elected local government officials appointed as follows: one representing the Mountains appointed by the General Assembly on the Speaker's recommendation; one representing the Piedmont appointed by the Governor; and one representing the Coastal Plain appointed by the General Assembly on the Senate President Pro Tem's recommendation. Local government officials appointed to the committee serve two-year terms and may not be associated with or employed by the travel and tourism industry or an entertainment enterprise or be in any contractual relationship involving a qualified project. Makes it unlawful for any member of the committee, within two years after the end of the member's service on the committee, to provide compensated services to any project that was awarded a grant during the member's tenure on the committee or to any contractor for such a project. Makes committee meetings and records subject to the state's Open Meetings Law and Public Records Law. Transfers authority with respect to the grant program from the Dep't of Commerce to the committee. Exempts committee's adoption of grant guidelines from the rulemaking procedures of the state's Administrative Procedure Act. Requires committee to file an annual report with the Revenue Laws Study Committee. Requires that all committee actions be made by unanimous decision of the committee's members.

Provides that grant proceeds may not be distributed to any private individual or entity. Redefines "owner" as a county or municipality that will own the qualified project in whole or in at least 50% partnership with a private entity. Increases application fee from \$2500 to \$5000. Requires that information in application be certified. Redefines "qualified project" as a newly created travel and tourism project or expansion or renovation of a travel and tourism project that meets the statutory criteria and is approved by the committee. Revises criteria for qualified projects as follows: requires that project target at least 35% of visitors from outside the state or more than 50 (was, 100) miles from the project; requires business plan demonstrating positive economic impact on community in which the project is located; requires cost-benefit analysis of project and certified economic impact analysis; requires that local government enact a resolution stating need for enhanced travel and tourism revenues from project; requires that applicant demonstrate that project will not result in unnecessary duplication of existing services and will generate new visitors to area rather than drawing visitors away from existing tourism attractions; and requires applicant to certify that project will not be created, expanded, or renovated unless applicant receives grant. Requires that feasibility study be certified by certified public accountant. Also requires that minimum cost of qualified project be \$5 million (was, \$10 million) in areas designated as enterprise tier 3 or 4 and \$10 million (was, \$20 million) in areas designated as enterprise tier 5.

Provides that maximum term of grant is 10 years. Provides that no more than 10 grants may be awarded each fiscal year and that total amount of grants awarded may not exceed \$20 million each fiscal year. Amount awarded is calculated by dividing cumulative maximum amount of grant by the number of years in the grant term.

Provides that act expires for grant applications filed on or after July 1, 2005.