

1 the Executive Director of the North Carolina Institute for Minority Economic
2 Development; three elected local government officials; and three public members. One
3 elected local government official and one public member shall represent the Piedmont
4 and shall be appointed by the General Assembly upon the recommendation of the
5 Speaker of the House of Representatives. One elected local government official and one
6 public member shall represent the Mountains and shall be appointed by the Governor.
7 One elected local government official and one public member shall represent the
8 Coastal Plain and shall be appointed by the General Assembly upon the
9 recommendation of the President Pro Tempore of the Senate. Neither the public
10 members nor the elected local government officials may be associated with or employed
11 by the travel and tourism industry or an entertainment enterprise or be in any contractual
12 relationship regarding the qualified project. The appointed members shall serve
13 two-year terms. The appointing authorities shall make appointments to the Committee
14 that reflect the State's ethnic diversity. The Committee may act only upon a majority
15 vote of its members.

16 It is unlawful for a member of the Committee to provide, during or within two years
17 after the end of service on the Committee, services for compensation, as an employee,
18 consultant, or otherwise, to any project that was awarded a grant under this section
19 while the former member was serving on the Committee or to provide services for
20 compensation to any person or entity that contracts with the project. Violation of this
21 subsection is a Class 1 misdemeanor.

22 Meetings of the Committee are subject to the open meetings requirements of Article
23 33C of Chapter 143 of the General Statutes. All documents of the Committee, including
24 applications for grants, are public records governed by Chapter 132 of the General
25 Statutes, including applicable provisions of the General Statutes protecting confidential
26 information.

27 (e) Application and Fee. – The owner of a qualified project may apply for a grant
28 no later than one year after the qualified project is opened to the public. When filing an
29 application under this section, the applicant must pay the Committee a fee of one
30 thousand dollars (\$1,000). The fee is due at the time the application is filed. The
31 Committee shall determine the allocation of the fee imposed by this subsection among
32 the agencies whose heads are ex officio members of the Committee. The proceeds of the
33 fee are receipts of the agency to which they are credited.

34 The application must contain all information required by the Committee, including a
35 certification of the nature and cost of the tourism project, the estimated revenues to be
36 generated by the project, the estimated economic benefit to the community, and the
37 purposes for which the applicant will use the grant funds. If the tourism project is the
38 result of a public-private partnership, the grant application must set forth in detail the
39 respective rights and obligations of the parties and the specific terms of the agreement.
40 The application must be signed by the finance officer and the chair of the governing
41 body of the owner.

42 (f) Qualification. – A qualified project is a newly created travel and tourism
43 project or expansion or renovation of a travel and tourism project that the Committee

determines, pursuant to a feasibility study under this section, meets all of the following conditions:

- (1) At least twenty-five percent (25%) of the project will be financed and owned by a unit of local government in which it is located if the project is located in an enterprise tier one, two, or three area. At least fifty percent (50%) of the project will be financed and owned by a unit of local government in which it is located if the project is located in an enterprise tier four or five area.
- (2) A project located in an enterprise tier one, two, or three area will target at least fifteen percent (15%) of its visitors from among persons who reside outside the State or more than 25 miles from the project. A project located in an enterprise tier four or five area will target at least thirty-five percent (35%) of its visitors from among persons who reside outside the State or more than 50 miles from the project.
- (3) The project has a business plan that demonstrates a positive economic impact on the community in which the project is located.
- (4) The applicant has provided impact projections regarding estimated State and local tax revenues with respect to the project.
- (5) The project will have a significant and positive economic impact on the community in which the project is located, considering among other factors the extent to which the tourism project will compete directly with existing tourism attractions in the area and the amount by which tax revenues from the tourism project will exceed the amount of the grant provided.
- (6) The applicant has provided a cost-benefit analysis of the project.
- (7) The applicant has provided an economic impact analysis, certified by a certified public accountant, which demonstrates the employment, gross State product, and personal income effects of the project over a 10-year period.
- (8) The project will be available to the public for a minimum of 100 days per year.
- (9) The project will generate at least 10 new jobs in the community in which the project is located. At least three of the new jobs will be full-time positions if the project is located in an enterprise tier one, two, or three area. At least seven of the new jobs will be full-time positions if the project is located in an enterprise tier four area. At least 10 of the new jobs will be full-time positions if the project is located in an enterprise tier five area.
- (10) The project will have the following minimum cost based on the enterprise tier in which it is located:

<u>Enterprise Tier</u>	<u>Minimum Cost</u>
<u>1 and 2</u>	<u>\$ 500,000</u>
<u>3</u>	<u>\$ 1,000,000</u>
<u>4</u>	<u>\$ 3,000,000</u>

5 § 4,000,000

(11) The governing body of the unit of local government has passed a resolution stating the need for the project and the positive economic impact and enhancement of travel and tourism revenues from the project.

(12) The applicant has demonstrated by clear and convincing evidence the following:

a. The project will not result in unnecessary duplication of existing services.

b. The project will generate new visitors to the area rather than drawing visitors away from other existing tourism attractions.

(13) The jobs created by the project pay a wage at least equal to the applicable wage standard provided in G.S. 105-129.4(b) based on the tier in which the project is located.

(g) Feasibility Study. – The applicant must fund a feasibility study certified by a certified public accountant and coordinated solely by the Committee. The Committee shall develop a list of qualified firms to conduct the study. The Committee shall prescribe the scope of the study to cover all of the qualifications established in this section.

(h) Amount. – Subject to the maximums provided in this section, the amount of a grant with respect to a qualified project is calculated as a percentage of the total amount of the following taxes collected and retained by the State each year:

(1) The net State sales tax collected on sales by or within the qualified project, as determined by the Department of Revenue.

(2) The net privilege tax paid by the qualified project under G.S. 105-37.1, as determined by the Department of Revenue.

(i) Maximums. – The maximum term of a grant is 10 years. No project may receive any grant proceeds for a year that is more than 10 years beyond the date of the initial grant award.

The Committee shall set the grant percentage at the time it awards the grant. The percentage used to calculate a grant may not exceed the applicable percentage provided in the table below based on the enterprise tier, as defined in G.S. 105-129.3, in which the qualified project is located. In addition, the cumulative maximum amount of a grant may not exceed the applicable percentage of the total project cost provided in the table below based on the enterprise tier in which the qualified project is located.

<u>Enterprise Tier</u>	<u>Percentage</u>
<u>1 and 2</u>	<u>40</u>
<u>3 and 4</u>	<u>30</u>
<u>5</u>	<u>25</u>

(j) Use. – The proceeds of a grant may be used only for capital costs, including debt service, with respect to the qualified project for which the grant was awarded.

(k) Disbursement. – In order to receive grant disbursements under this section, the owner of the qualified project must provide the Department of Revenue with periodic, verified accountings of the tax collections provided in subsection (h) of this

1 section. These reports must be made at the times and in the form prescribed by the
2 Department of Revenue. Each report must include the name, address, and tax
3 identification number of every taxpayer whose collections are included in the report and
4 any other information required by the Department of Revenue.

5 The Department of Revenue must disburse grants awarded under this section in
6 accordance with G.S. 105-269.16. Upon awarding a grant under this section, the
7 Committee must provide the following information to the Department of Revenue:

- 8 (1) The name, address, and other identifying information of the owner to
9 whom the grant was awarded.
- 10 (2) The name and address of any lessee or individual or entity who has
11 entered into a contract with the owner of the qualified project.
- 12 (3) The address and other identifying information of each facility that is
13 part of the qualified project for which the grant was awarded.
- 14 (4) The applicable percentage and the maximum cumulative amount of the
15 grant as determined in accordance with this section.
- 16 (5) Any other information included in the application, if required by the
17 Department of Revenue.

18 (l) Reports. – The Committee must report annually to the Revenue Laws Study
19 Committee concerning the applications made for grants, the grants awarded under this
20 section, and the division and use of the fee collected by the Committee under this
21 section.

22 (m) Cap. – No more than twenty million dollars (\$20,000,000) in grants shall be
23 awarded each fiscal year. For the purpose of this maximum, the amount awarded is
24 calculated as the cumulative maximum amount of the grant divided by the number of
25 years in its term. Each grant shall be capped at an amount not to exceed two million
26 dollars (\$2,000,000) over the lifetime of the project. Within this cap, one-thirteenth of
27 the funds shall be allocated each year to each Congressional district. If there are
28 insufficient qualified projects from a Congressional district in any fiscal year, the
29 amount allocated to that district shall be reallocated among the remaining districts for
30 that year."

31 **SECTION 2.** Article 9 of Chapter 105 of the General Statutes is amended by
32 adding a new section to read:

33 **§ 105-269.16. Travel and tourism grants.**

34 The Department must annually disburse the travel and tourism grants awarded under
35 G.S. 143B-434.4. Each annual disbursement must be made by October 1 for the
36 preceding fiscal year. The amount of each grant must be calculated in accordance with
37 G.S. 143B-434.4 based on information provided to the Department by the owner of the
38 qualified project. If information necessary to calculate a portion of a grant is not
39 available, the Department must disburse only that portion for which information is
40 available. To pay for this program, the Department must draw from State sales and use
41 tax collections under Article 5 of this Chapter an amount equal to the grant funds
42 disbursed and the Department's costs of administering the grants. The Department must
43 provide the Committee an annual accounting of grant funds disbursed under this
44 section."

1 **SECTION 3.** This act becomes effective January 1, 2004, and expires for
2 grant applications filed on or after July 1, 2006.