## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2003

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#### HOUSE BILL 1318

Short Title: Repeal Bill Lee Act & Make Incentives Work. (Public) Sponsors: Representatives Luebke; Insko, Miller, and Weiss. Referred to: Finance. May 15, 2003 A BILL TO BE ENTITLED 1 2 AN ACT TO REPEAL THE BILL LEE ACT AND REPLACE IT WITH MORE 3 EFFECTIVE INCENTIVES TO BRING PROSPERITY TO DISTRESSED AREAS 4 OF THE STATE. 5 Whereas, the General Assembly finds that incentives should be used only when they meet three standards: (i) they create net new jobs and increase the size of the 6 economic pie on a national basis, (ii) they create opportunity in economically distressed 7 8 areas, and (iii) they are defensible on an absolute basis without regard to competition 9 with other states; and 10 Whereas, the General Assembly finds that the Bill Lee Act does not meet 11 these standards and can be defended only on the basis of competition with other states; 12 and Whereas, reform of the State's incentive programs can target limited State 13 14 resources to the most efficient economic development in those areas most in need; Now, 15 therefore. The General Assembly of North Carolina enacts: 16 17 **SECTION 1**. G.S. 105-129.2A(a) reads as rewritten: 18 "(a) Sunset. – G.S. 105-129.9A is repealed effective for business activities that occur on or after January 1, 2006. Except as provided in subsection (a1) of this section, 19 20 the remainder of this This Article is repealed effective for business activities that occur 21 on or after January 1, 2006.2004." 22 SECTION 2. Article 10 of Chapter 143B of the General Statutes is amended 23 by adding a new Part to read: 24 "Part 2G. William S. Lee Quality Jobs Investment Grants. 25 "§ 143B-437.70. Definitions. The definitions in G.S. 105-129.2 and in G.S. 105-437.51 apply in this Part. 26 "§ 143B-437.71. Quality Jobs Investment Grants Program. 27 There is established in the Department of Commerce the William S. Lee Quality 28 Jobs Investment Grant Program to be administered by the Economic Investment 29

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1	Committee and	ated in Dart 2E of this Article. In order to faster ich exection and		
1	Committee created in Part 2F of this Article. In order to foster job creation and			
2	investment in the economy of this State, the Committee may enter into negotiated			
3	agreements with businesses to provide grants in accordance with the provisions of this			
4		nittee, in consultation with the Attorney General, must develop criteria		
5 6	to be used in determining whether the conditions of this Part are satisfied and whether			
0 7		ribed in the application is otherwise consistent with the purposes of this		
8	Part. The purpose of this Part is to provide a more effective and efficient replacement			
8 9	for the tax credit incentives repealed effective January 1, 2004. The replacement must be targeted to the areas of the State most in need of incentives, as determined by the			
9 10	<u>Committee. Before entering into an agreement, the Committee must find that all the</u>			
10	following conditions are met:			
11	<u>(1)</u>	<u>The location or expansion the business will create net new jobs and</u>		
12	<u>(1)</u>	increase the size of the economic pie on a national basis.		
13 14	(2)	The proposed project will directly benefit and create opportunities in		
15	<u>(2)</u>	an area of the State that the Committee identifies as experiencing high		
16		unemployment, severe job losses, persistent blight, or other economic		
17		problems as compared to other areas of the State.		
18	(3)	The grant under this Part is justifiable on an absolute basis and is not		
19	<u>107</u>	justified solely on the basis of competition with other states for the		
20		project.		
21	(4)	The total benefits of the project to the State outweigh its costs and		
22		render the grant appropriate for the project."		
23	SEC	<b>FION 3.(a)</b> Grants from the One North Carolina - Industrial		
24		ompetitive Fund may be made only after the Department of Commerce		
25	has developed and implemented a performance management information system that			
26		the following elements:		
27	(1)	Establishing goals of the program.		
28	(2)	Outlining each stage of the procedure for carrying out the goals of the		
29		program.		
30	(3)	Identifying all information necessary for decision making at each stage		
31		to achieve the program goals.		
32	(4)	Developing methods to collect and process comprehensive data to		
33		provide relevant, accurate information on a timely basis and in a		
34		useable form.		
35	(5)	Establishing performance measures for predictive assessment and		
36		postdecision review.		
37	(6)	Setting a schedule for periodically measuring, analyzing, and reporting		
38		performance of the program.		
39	<b>SECTION 3.(b)</b> The Department of Commerce must report the following			
40	information regarding the One North Carolina - Industrial Recruitment Competitive			
41	Fund by the 15th day of each month to the Speaker of the House of Representatives, the			
42	President Pro Tempore of the Senate, and the chairs of the House and Senate			
43	Committees on	Finance and on Appropriations:		

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1		(1)	Each project under consideration during the preceding month for a
2 3			grant, including name and address of the business, type and location of the project, projected new jobs and investment, and other factors
3 4			qualifying the project for consideration.
5		(2)	Each grant made during the preceding month, including name and
6		(2)	address of the business, type and location of the project, projected new
7			jobs and investment, other factors qualifying the project for a grant, the
8			amount of the grant, and any conditions or clawbacks attached to the
9			grant.
10		SECT	<b>TON 4.</b> G.S. 143B-437.52 is amended by adding a new subsection to
11	read:		
12	" <u>(d)</u>	Perfor	mance Management Information System Before entering into an
13	agreemen		r this Part, the Committee must develop and implement a performance
14	-		ormation system that includes at least the following elements:
15		(1)	Establishing goals of the program.
16		<u>(2)</u>	Outlining each stage of the procedure for carrying out the goals of the
17			program.
18		<u>(3)</u>	Identifying all information necessary for decision making at each stage
19			to achieve the program goals.
20		<u>(4)</u>	Developing methods to collect and process comprehensive data to
21			provide relevant, accurate information on a timely basis and in a
22			useable form.
23		<u>(5)</u>	Establishing performance measures for predictive assessment and post
24			decision review.
25		<u>(6)</u>	Setting a schedule for periodically measuring, analyzing, and reporting
26			performance of the program."
27		SECT	<b>TON 5.</b> G.S. 143B-437.55 is amended by adding a new subsection to
28	read:		
29			nly Reports. – The Committee shall report the following information by
30		•	f each month to the Speaker of the House of Representatives, the
31			Tempore of the Senate, and the chairs of the House and Senate
32	<u>Committe</u>		Finance and on Appropriations:
33		<u>(1)</u>	Each project under consideration during the preceding month for a
34			grant, including name and address of the business, type and location of
35			the project, projected new jobs and investment, and other factors
36			qualifying the project for consideration.
37		<u>(2)</u>	Each grant offer made during the preceding month, including the
38			information described in subsection (d) of this section.
39		<u>(3)</u>	Detailed minutes of all meetings held in executive session during the
40			preceding month."
41		SECT	<b>TION 6.</b> This act becomes effective October 1, 2003.