

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 2718

Short Title: NC Green Business Fund. (Public)

Sponsors: Representatives Harrison, Fisher (Primary Sponsors); Alexander, Bordsen, Bryant, Coleman, Cotham, Faison, Glazier, Hughes, Insko, Jones, Luebke, Martin, Mobley, Parmon, Samuelson, Tarleton, Wilkins, and Womble.

Referred to: Appropriations.

May 28, 2008

A BILL TO BE ENTITLED

1
2 AN ACT TO CHANGE THE NC GREEN BUSINESS FUND FROM A
3 GRANT-MAKING FUND TO A NO-INTEREST LOAN-MAKING FUND AND
4 TO APPROPRIATE FUNDS TO THE DEPARTMENT OF COMMERCE FOR
5 THE NC GREEN BUSINESS FUND.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Part 2B of Article 10 of Chapter 143B of the General Statutes
8 reads as rewritten:

9 "Part 2B. NC Green Business Fund.

10 "**§ 143B-437.4. NC Green Business Fund established as a special revenue fund.**

11 (a) Establishment. – The NC Green Business Fund is established as a special
12 revenue fund in the Department of Commerce, and the Department shall be responsible
13 for administering the Fund.

14 (b) Purposes. – Moneys in the NC Green Business Fund shall be allocated
15 pursuant to this subsection. The Department of Commerce shall make ~~grants-no-interest~~
16 loans from the Fund to private businesses with less than 100 employees, nonprofit
17 organizations, local governments, and State agencies to encourage the expansion of
18 small to medium size businesses with less than 100 employees to help grow a green
19 economy in the State. Moneys in the NC Green Business Fund shall be used for projects
20 that will focus on the following three priority areas:

- 21 (1) To encourage the development of the biofuels industry in the State.
22 The Department of Commerce may make ~~grants-no-interest loans~~
23 available to maximize development, production, distribution, retail
24 infrastructure, and consumer purchase of biofuels in North Carolina,
25 including ~~grants-no-interest loans~~ to enhance biofuels workforce
26 development.

1 (2) To encourage the development of the green building industry in the
2 State. The Department of Commerce may make ~~grants~~no-interest
3 loans available to assist in the development and growth of a market for
4 environmentally conscious and energy efficient green building
5 processes. ~~Grants~~No-interest loans may support the installation,
6 certification, or distribution of green building materials; energy audits;
7 and marketing and sales of green building technology in North
8 Carolina, including ~~grants~~no-interest loans to enhance workforce
9 development for green building processes.

10 (3) To attract and leverage private-sector investments and entrepreneurial
11 growth in environmentally conscious clean technology and renewable
12 energy products and businesses, including ~~grants~~no-interest loans to
13 enhance workforce development in such businesses.

14 **"§ 143B-437.5. Green Business Fund Advisory Committee.**

15 The Department of Commerce may establish an advisory committee to assist in the
16 development of the specific selection criteria and the ~~grant-making~~loan-making process
17 of the NC Green Business Fund.

18 **"§ 143B-437.6. Agreements required.**

19 Funds may be disbursed from the NC Green Business Fund only in accordance with
20 agreements entered into between the Department of Commerce and an eligible
21 ~~grantee~~loan recipient. Each agreement must contain the following provisions:

- 22 (1) A description of the acceptable uses of ~~grant~~loan proceeds. The
23 agreement may limit the use of funds to specific purposes or may
24 allow the funds to be used for any lawful purposes.
- 25 (2) A provision allowing the Department of Commerce to inspect all
26 records of the business that may be used to confirm compliance with
27 the agreement or with the requirements of this Part.
- 28 (3) A provision establishing the method for determining compliance with
29 the agreement.
- 30 (4) A provision establishing a schedule for disbursement of loan funds
31 under the agreement.
- 32 (5) A provision requiring recapture of ~~grant~~loan funds if a ~~grantee~~loan
33 recipient subsequently fails to comply with the terms of the agreement.
- 34 (6) Any other provision the State finds necessary to ensure the proper use
35 of State funds.

36 **"§ 143B-437.7. Program guidelines.**

37 The Department of Commerce shall develop guidelines related to the administration
38 of the NC Green Business Fund and to the selection of projects to receive allocations
39 from the Fund, including project evaluation measures. At least 20 days before the
40 effective date of any guidelines or nontechnical amendments to guidelines, the
41 Department of Commerce must publish the proposed guidelines on the Department's
42 Web site and provide notice to persons who have requested notice of proposed
43 guidelines. In addition, the Department must accept oral and written comments on the
44 proposed guidelines during the 15 business days beginning on the first day that the

1 Department has completed these notifications. For the purpose of this section, a
2 technical amendment is either of the following:

- 3 (1) An amendment that corrects a spelling or grammatical error.
- 4 (2) An amendment that makes a clarification based on public comment
5 and could have been anticipated by the public notice that immediately
6 preceded the public comment.

7 **"§ 143B-437.8. Reports.**

8 ~~Grants made to non-State entities through the NC Green Business Fund shall be~~
9 ~~subject to the oversight and reporting requirements of G.S. 143C-6-23.~~ The Department
10 of Commerce shall conduct an annual audit review of each NC Green Business Fund
11 loan recipient to assess project quality assurance. The Department of Commerce shall
12 publish a report on the commitment, disbursement, and use of funds allocated from the
13 NC Green Business Fund at the end of each fiscal year. The report is due no later than
14 September 1 and must be submitted to the following:

- 15 (1) The Joint Legislative Commission on Governmental Operations.
- 16 (2) The chairs of the House of Representatives and Senate Finance
17 Committees.
- 18 (3) The chairs of the House of Representatives and Senate Appropriations
19 Committees.
- 20 (4) The Fiscal Research Division of the General Assembly."

21 **SECTION 2.** There is appropriated from the General Fund to the
22 Department of Commerce the sum of two million dollars (\$2,000,000) for the
23 2008-2009 fiscal year for the NC Green Business Fund to provide no-interest loans to
24 private businesses with less than 100 employees, nonprofit organizations, local
25 governments, and State agencies to encourage the expansion of small- to medium-sized
26 businesses with less than 100 employees to help grow a green economy in the State.

27 **SECTION 3.** Section 1 of this act is effective when it becomes law. Section
28 2 of this act becomes effective July 1, 2008.