

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1199
Finance Committee Substitute Adopted 4/19/07

Short Title: Economic Development Modifications. (Public)

Sponsors:

Referred to:

March 26, 2007

A BILL TO BE ENTITLED

AN ACT TO CLARIFY PROVISIONS IN THE LOCAL DEVELOPMENT ACT, TO CLARIFY URBAN PROGRESS ZONES AND AGRARIAN GROWTH ZONES, TO ALLOW MORE THAN ONE AGRARIAN GROWTH ZONE IN A COUNTY, TO CLARIFY WHEN THE LAST REPORT IS DUE FOR THE REPEALED LEE ACT CREDITS, AND TO MAKE TECHNICAL CHANGES CONCERNING THE TAX CREDITS FOR GROWING BUSINESSES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 158-7.1(b)(4) reads as rewritten:

"(b) A county or city may undertake the following specific economic development activities. (This listing is not intended to limit by implication or otherwise the grant of authority set out in subsection (a) of this section). The activities listed in this subsection may be funded by the levy of property taxes pursuant to G.S. 153A-149 and G.S. 160A-209 and by the allocation of other revenues whose use is not otherwise restricted by law.

...

(4) A county or city may ~~acquire or construct one or more "shell buildings", which are structures of flexible design adaptable for use by a variety of industrial or commercial businesses. A county or city may convey or lease a shell building or space in a shell building pursuant to subsection (c) of this section.~~ acquire, construct, convey, or lease a building suitable for industrial or commercial use."

SECTION 2. G.S. 143B-437.09(a) reads as rewritten:

"(a) Urban Progress Zone Defined. – An urban progress zone is an area that meets all of the following conditions:

(1) It is comprised of part or all of one or more contiguous census tracts, census block groups, or both, or parts thereof, in the most recent federal decennial census that meets all conditions in this subsection. ~~census.~~

- 1 ~~(1)(2)~~ All ~~land within the zone~~ of the area is located in whole within the
 2 primary corporate limits of a municipality with a population of ~~more~~
 3 ~~than in excess of~~ 10,000 according to the most recent annual
 4 population estimates certified by the State Budget Officer.
- 5 ~~(2)(3)~~ Every census tract and census block group that ~~composes part of the~~
 6 ~~zone~~ comprises the area meets at least one of the following conditions:
- 7 a. ~~More~~ It has a population that meets the poverty level threshold.
 8 The population of a census tract or census block group meets
 9 the poverty level threshold if more than twenty percent (20%)
 10 of its population is below the poverty level according to the
 11 most recent federal decennial census.
- 12 b. ~~At~~ It is located adjacent to a census tract or census block group
 13 whose population meets the poverty level threshold and at least
 14 fifty percent (50%) of the area of the portion that is within the
 15 primary corporate limits of the municipality part of it that is
 16 included in the area is zoned as nonresidential and the census
 17 tract or census block group is adjacent to a census tract or block
 18 group of which at least twenty percent (20%) of the population
 19 is below the poverty level nonresidential. No more than
 20 thirty-five percent (35%) of the area of a zone may consist of
 21 census tracts or census block groups that meet this condition.
- 22 ~~(3)~~ ~~The area of the zone zoned as nonresidential does not exceed~~
 23 ~~thirty five percent (35%) of the total area of the zone."~~

24 **SECTION 3.** G.S. 143B-437.10 reads as rewritten:

25 "**§ 143B-437.10. Agrarian growth zone designation.**

- 26 (a) Agrarian Growth Zone Defined. – An agrarian growth zone is an area that
 27 meets all of the following conditions:
- 28 (1) It is comprised of one or more contiguous census tracts, census block
 29 groups, or both, in the most recent federal decennial census that meets
 30 all conditions in this subsection. A county may have no more than one
 31 agrarian growth zone census.
- 32 ~~(1)(2)~~ All ~~land within the zone~~ of the area is located in whole within a county
 33 that has no municipality with a population in excess of ~~10,000~~ 10,000
 34 according to the most recent annual population estimates certified by
 35 the State Budget Officer.
- 36 ~~(2)(3)~~ Every census tract and census block group that ~~composes part of the~~
 37 ~~zone~~ comprises the area has more than twenty percent (20%) of its
 38 population below the poverty level according to the most recent
 39 federal decennial census.
- 40 ~~(3)~~ ~~The area of the zone less the smallest census tract included in the zone~~
 41 ~~does not exceed five percent (5%) of the total area of the county in~~
 42 ~~which the zone is located.~~
- 43 (b) Limitation and Designation. – The area of a county that is included in one or
 44 more agrarian growth zones shall not exceed five percent (5%). Upon application of a

1 county, the Secretary of Commerce shall make a written determination whether an area
2 is an agrarian growth zone that satisfies the conditions ~~and limitations~~ of subsection (a)
3 of this section. The application shall include all of the information listed in this
4 subsection. A determination under this section is effective until December 31 of the year
5 following the year in which the determination is made. The Department of Commerce
6 shall publish annually a list of all ~~urban progress~~ agrarian growth zones with a
7 description of their boundaries.

8 (1) A map showing the census tracts and block groups that would
9 comprise the zone.

10 (2) A detailed description of the boundaries of the area that would
11 comprise the zone.

12 (3) A certification regarding the size of the proposed zone.

13 (4) Detailed census information on the county and the proposed zone.

14 (5) A resolution of the board of county commissioners requesting the
15 designation of the area as an agrarian growth zone.

16 (6) Any other material required by the Secretary of Commerce.

17 (c) Parcel of Property Partially in Agrarian Growth Zone. – For the purposes of
18 this section, a parcel of property that is located partially within an agrarian growth zone
19 is considered entirely within the zone if all of the following conditions are satisfied:

20 (1) At least fifty percent (50%) of the parcel is located within the zone.

21 (2) The parcel was in existence and under common ownership prior to the
22 most recent federal decennial census.

23 (3) The parcel is a portion of land made up of one or more tracts or tax
24 parcels of land that is surrounded by a continuous perimeter
25 boundary."

26 **SECTION 4.** G.S. 105-129.2A(d) reads as rewritten:

27 "(d) Report. – The Department of Commerce shall report the results of these
28 studies and its recommendations to the General Assembly biennially with the first report
29 due by April 1, ~~2001-2001~~, and the last report due by June 1, 2007."

30 **SECTION 5.** Section 1.5 of S.L. 2006-252 reads as rewritten:

31 "**SECTION 1.5.** Section 1.1 of this part is effective for taxable years beginning on
32 or after January 1, ~~2007-2007~~, and for business activities that occur on or after January
33 1, 2007. The remainder of this part is effective when it becomes law."

34 **SECTION 6.** This act is effective when it becomes law.