

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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SENATE BILL 705

Short Title: Buncombe County Job Recovery Act. (Local)

Sponsors: Senator Edwards (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 29, 2020

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE USE OF OCCUPANCY TAX PROCEEDS CREDITED TO
2 THE TOURISM PRODUCT DEVELOPMENT FUND TO BE USED IN BUNCOMBE
3 COUNTY FOR ECONOMIC ASSISTANCE TO BUSINESSES SIGNIFICANTLY
4 AFFECTED BY THE COVID-19 EPIDEMIC.
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6 Whereas, visitors of Buncombe County spend \$2,000,000,000 annually at local
7 businesses; and

8 Whereas, many of those businesses are small, independent operations that depend on
9 tourism to survive and thrive and on the sales and marketing programs of Buncombe County
10 Tourism Development Authority to attract those customers; and

11 Whereas, local businesses purchase goods and services from other local businesses,
12 for a total economic impact of \$3,100,000,000; and

13 Whereas, visitors to Buncombe County generate \$199,000,000 in State and local
14 taxes; and

15 Whereas, the generated taxes account for 31% of sales tax revenue and 19% of
16 property tax revenue for Buncombe County; and

17 Whereas, visitors to Buncombe County, through tourism spending, support 18,000
18 jobs at tourism-related businesses and 27,000 jobs in total; and

19 Whereas, total tourism support accounts for 15% of the employment in Buncombe
20 County; and

21 Whereas, entertainment, food, and drinking establishments are vital elements of a
22 healthy tourism economy, generating jobs and sales tax revenue and enlarging the property tax
23 base, and such establishments have been disproportionately affected by loss of patrons, as
24 evidenced by the number of business closures in such industries; and

25 Whereas, the closure of so many establishments has adversely affected patronage of
26 lodging facilities in Buncombe County and such establishments are unlikely to be able to reopen
27 without aid to contribute to the vibrant and economically necessary tourism ecosystem in the
28 county; Now, therefore,

29 The General Assembly of North Carolina enacts:

30 **SECTION 1.** Program. – The Buncombe County Tourism Development Authority
31 (TDA) may, from available funds credited to its Tourism Product Development Fund and without
32 regard for the provisions typically required for the expenditure of monies in that Fund, provide
33 up to five million dollars (\$5,000,000) to an agency experienced in emergency management
34 funding for grants to assist small businesses that have closed or been otherwise significantly
35 affected due to the economic hardship occasioned by the COVID-19 epidemic with the costs of



- 1 recommencing business activities. The following shall apply to the grants made under the
2 program:
- 3 (1) Grants shall be available only to businesses meeting all of the following
4 requirements:
 - 5 a. Prior to January 1, 2020, the business has been engaged in Buncombe
6 County primarily in an activity that, in the determination of the TDA,
7 promotes tourism and patronage of lodging facilities in the county,
8 including, at a minimum, restaurants, retail establishments, studios and
9 galleries, visitor attractions, tours and activities, breweries, wineries,
10 cideries, distilleries, entertainment and event venues, and other
11 providers of food, drink, or entertainment to patrons. A business
12 engaged, in whole or in part, in providing lodging is not eligible for a
13 grant.
 - 14 b. The business employed at least two but not more than 200 full-time
15 equivalent employees, determined as of the state of emergency.
 - 16 c. The business has, after the state of emergency, ceased and not
17 recommenced operations as a result of demonstrable economic loss in
18 revenue due to the COVID-19 epidemic at the time of application or
19 can otherwise demonstrate significant economic loss and change in
20 operations due to the COVID-19 epidemic at the time of application.
 - 21 d. The business certifies in writing that it (i) will use the grant for
22 employee compensation, inventory, mortgage, rent, utilities, and other
23 operating costs and expenses incurred in reopening or otherwise
24 resuming normal operations of a business and hiring employees in
25 Buncombe County and (ii) will report on the financial condition of the
26 business and use of funds received six months and one year following
27 the receipt of funds.
 - 28 e. The business applies for funds detailing the business's plans to
29 recommence operations or resume normal operations following the
30 end of the state of emergency. The plans must, to the satisfaction of
31 the TDA, show the ongoing business concern is sustainable for at least
32 one year.
 - 33 f. The recommenced operations of the business will, in the determination
34 of the TDA, significantly increase patronage of lodging facilities in
35 Buncombe County.
 - 36 (2) A grant provided under the program is limited to no more than fifty thousand
37 dollars (\$50,000) per business.
 - 38 (3) In awarding the grant, the TDA shall (i) prioritize independently owned
39 businesses and (ii) state, with specificity, the reasons for the determination
40 that the recommenced operations of the business will significantly increase
41 patronage of lodging facilities in Buncombe County.
 - 42 (4) The TDA shall establish and publish a method for determining compliance
43 with the program.
 - 44 (5) The TDA shall recapture grants for noncompliance with the program if the
45 TDA determines there is a reasonable expectation that the recovery of funds
46 will exceed the cost of recovery.
 - 47 (6) The awarding of grants made available in this act shall cease six months
48 following the date the state of emergency ends.
 - 49 (7) Every six months until six months following the date the state of emergency
50 ends, the TDA shall submit a report on the program to the Buncombe County
51 Board of Commissioners containing all of the following:

- 1 a. The number of recipients of grants for each represented North
- 2 American Industry Classification System Code.
- 3 b. The number of jobs retained.
- 4 c. The number of grants awarded.
- 5 d. The average grant amount.
- 6 e. The total amount granted to date.
- 7 f. The number of recipients who have failed to comply with the
- 8 requirements of the program and the total amount of grant funds that
- 9 have been recaptured, if any.

10 **SECTION 2.** This act is effective when it becomes law.