

January 30, 2007

H 39. ENDANGERED MANUFACTURING AND JOBS ACT. Filed 1/30/07. *TO PROVIDE ENHANCED ECONOMIC DEVELOPMENT INCENTIVES TO ENDANGERED MANUFACTURERS, TO PROVIDE PROPERTY TAX EXCLUSIONS FOR ENDANGERED MANUFACTURERS, TO CLARIFY THAT A LOW-PROFIT LIMITED LIABILITY COMPANY IS A LIMITED LIABILITY COMPANY UNDER STATE LAW, TO ESTABLISH THE NORTH CAROLINA FURNITURE FUND TO RECEIVE STATE AND FEDERAL FUNDING FOR THE FURNITURE INDUSTRY, TO ESTABLISH THE NORTH CAROLINA FURNITURE COUNCIL TO ADMINISTER THE FUND, AND TO APPROPRIATE FUNDS FOR THAT PURPOSE, TO APPROPRIATE FUNDS TO ESTABLISH THE FURNITURE TECHNOLOGY CENTER, TO PROVIDE FOR ADDITIONAL PENALTIES FOR THE UNAUTHORIZED DISCLOSURE OF TRADE SECRETS, AND TO CLARIFY THAT INDUSTRIAL MACHINERY IS NOT SUBJECT TO REGULATION UNDER THE BUILDING CODE.* Effective beginning with the 2007 tax year, enacts new GS 105-129.83(m) to provide that for purposes of Article 3J (Tax Credits for Growing Businesses) of GS Chapter 105, an establishment whose primary activity is one of the following is treated as if it were in enterprise tier one: apparel manufacturing, furniture and related product manufacturing, textile mills, or textile product mills, as defined by the North American Industry Classification System. Extends the following incentives and tax reductions to these establishments: (1) the annual sales tax refund in GS 105-164.14(h), effective July 1, 2007; (2) a reduced job creation threshold in GS 143B-437.53 in order to qualify for a Job Development Investment Grant (JDIG); (3) exemption from the JDIG reduction in GS 143B-437.56 that otherwise applies to grants for positions in enterprise tier two or three; and (4) exemption from property taxes for all real and personal property located at the establishment, effective beginning with the 2008-09 tax year.

Amends GS 57C-1-03 to define a *low-profit limited liability company* as a limited liability company that is organized for a business purpose but significantly furthers charitable or educational purposes, does not have the production of income or appreciation of property as a significant purpose, and does not have a significant political or legislative purpose. Makes a conforming change to GS 55D-20(a).

Effective July 1, 2007, enacts new Part 2K of Article 10 of GS Chapter 143B to create a 13-member North Carolina Furniture Council in the Department of Commerce and a special, interest-bearing, nonreverting fund called the North Carolina Furniture Fund. The council will administer the fund to develop and support the furniture industry in North Carolina by developing the industry workforce and promoting economic development in the industry through grants to organizations that support the industry. Appropriates \$5 million for the 2007-09 fiscal biennium from the General Fund to the North Carolina Furniture Fund.

Effective July 1, 2007, appropriates \$1 million for 2007-08 and \$1 million for 2008-09 from the General Fund to the Community Colleges System Office to establish the Furniture Technology Center.

Effective for acts committed on or after December 1, 2007, amends GS 66-154 to make willful and malicious misappropriation of a trade secret a Class I misdemeanor. Amends GS 143-138(b) to provide that Article 9 (Building Code Council and Building Code) of GS Chapter 143 does not apply to regulation of industrial machinery unless the machinery is attached to a building and related to general building services.

Intro. by Church, J. Harrell, Jeffus.

GS 55D, 57C, 66, 105, 143, 143B, APPROP