

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.B. 790
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HOUSE PRINCIPAL CLERK

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HOUSE DRH30263-MC-148A (03/20)

Short Title: Study/Adapt Start-Up NY Program.

(Public)

Sponsors: Representative R. Moore.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO STUDY THE START-UP NY PROGRAM AND ADAPT IT FOR PURPOSES
3 OF ECONOMIC DEVELOPMENT WITHIN THE STATE OF NORTH CAROLINA.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** The Joint Legislative Economic Development and Global
6 Engagement Oversight Committee ("Committee") shall study the topic listed in this act and
7 report its findings, together with any recommended legislation, to the 2016 Regular Session of
8 the 2015 General Assembly upon its convening.

9 **SECTION 2.** START-UP Programs – The Committee shall study the tax benefits
10 and economic incentives offered by the State of New York with the START-UP NY Program
11 for purposes of evaluating the cost, need, benefit, and efficacy of the offered incentives. The
12 study shall examine at least all of the following:

- 13 (1) The identification and approval of tax-free zones on or near college or
14 university campuses for new businesses, including means by which vacant
15 or underutilized assets are identified and used in the program.
- 16 (2) Means by which new businesses may locate in tax-free zones and align and
17 collaborate with colleges or universities in the State to incubate products,
18 inventions, and discoveries by the colleges or universities that have
19 commercial potential or value.
- 20 (3) Types of industries and businesses that may participate in the program to
21 maximize programmatic commercial, economic, and academic benefits.
- 22 (4) The types of taxes that participating businesses should be exempt from and
23 the extent to which the exemption should extend to related members,
24 independent contractors, employees, and other associated persons.
- 25 (5) Requirements to be eligible for participation in the program, application for
26 participation in the program, and selection of program participants, including
27 the means by which colleges or universities have input in these processes.
- 28 (6) Criteria used to determine the location, size, and aggregate amount of
29 tax-free zones in the State.
- 30 (7) Programmatic features and performance benchmarks, including at a
31 minimum, the number of new jobs created, the schedule for job creation, job
32 titles, and expected salaries, to protect the State's investment, to allow for
33 clawbacks in the event of misfeasance or nonfeasance by a participating
34 business, to ensure the creation in the marketplace of high-value jobs, and to
35 maximize the potential of economic development at the local and State
36 levels.



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- 1 (8) Appropriate methods of allocating intellectual property rights as well as
2 proceeds of successful commercialization of products, innovations, or
3 inventions.
4 (9) Predetermined access to records of participating businesses and minimum
5 reporting requirements to allow meaningful oversight of the program.
6 (10) Creation of guidelines regarding anti-competitive behavior, conflicts of
7 interest, and ethics requirements for participating businesses and colleges or
8 universities.
9 (11) The minimum and maximum periods of time for which tax benefits under
10 the program are available to participating businesses.
11 (12) Any other issue determined by the Committee to be relevant.
12 **SECTION 3.** This act is effective when it becomes law.