

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

H.B 1029  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH50000-MCz-206B\* (03/31)

Short Title: Economic Development Changes & Study. (Public)

Sponsors: Representative S. Martin.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO STUDY AND MAKE ECONOMIC DEVELOPMENT CHANGES.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** G.S. 143B-431.01(e) reads as rewritten:

5 "(e) Mandatory Contract Terms. – Any contract entered into under this section must include  
6 all of the following:

7 ...

8 (2) A provision requiring the nonprofit corporation to provide by September 1 of  
9 each year, and more frequently as requested, a report to the Department on prior  
10 State fiscal year program activities, objectives, and accomplishments and prior  
11 State fiscal year itemized expenditures and fund sources. The report shall also  
12 include all of the following:

- 13 a. Jobs anticipated to result from efforts of the nonprofit ~~corporation~~. ~~This~~  
14 ~~includes~~ corporation, including project leads that were not submitted to  
15 the Department for possible discretionary incentives pursuant to Chapter  
16 143B of the General Statutes.  
17 b. Developed performance metrics of economic development ~~functions~~  
18 functions, including a detailed explanation of the current marketing  
19 plans and criteria to measure progress, itemized by county, by  
20 development tier area designation, as defined by G.S. 143B-437.08, and  
21 by Collaboration for Prosperity Zones created pursuant to  
22 G.S. 143B-28.1.

23 ...."

24 **SECTION 2.(a)** There is created the North Carolina Workgroup on Economic  
25 Development for Distressed Communities (Workgroup).

26 **SECTION 2.(b)** The Workgroup shall consist of 11 members as follows:

- 27 (1) Five members appointed by the President Pro Tempore of the Senate.  
28 (2) Five members appointed by the Speaker of the House of Representatives.  
29 (3) The Secretary of Commerce or the Secretary's designee.

30 The Speaker of the House and the President Pro Tempore shall each select their  
31 appointments so that at least (i) one appointee is a member of the General Assembly, (ii) one  
32 appointee has expertise in local government matters, (iii) one appointee has expertise in economic  
33 development in a development tier one area, and (iv) one appointee has expertise in education.

34 **SECTION 2.(c)** The member of the House of Representatives shall be a cochair, and  
35 the member of the Senate shall be a cochair. Vacancies on the Workgroup shall be filled by the



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1 same appointing authority that made the initial appointment. A quorum of the Workgroup shall be  
2 a majority of its members.

3 **SECTION 2.(d)** The Workgroup shall reexamine North Carolina's strategy for  
4 assisting economically distressed communities to identify new programs to supplement the  
5 comprehensive State strategy of addressing chronic distress and targeting State aid to those  
6 communities. The Workgroup shall examine economic development programs utilized by other  
7 states or economic development entities as well as academic and critical analyses of potential  
8 programs and shall make recommendations on how to implement those strategies that have been  
9 successfully employed or are anticipated to amplify North Carolina's ability to compete in the  
10 acquisition of new industries and job opportunities. The Workgroup shall also create a  
11 measurement plan with goals, objectives, time frames, and action steps that will assess progress  
12 toward the overall goal of reducing or eliminating economic distress within North Carolina.

13 **SECTION 2.(e)** The Workgroup may meet at any time upon the joint call of the  
14 cochairs. The Department of Commerce shall provide facilities for meetings and shall assign  
15 administrative and professional staff to assist the Workgroup in its work. Members of the  
16 Workgroup shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1,  
17 138-5, or 138-6, as appropriate. All State departments and agencies and local governments and  
18 their subdivisions shall furnish the Workgroup with any information in their possession or  
19 available to them.

20 **SECTION 2.(f)** The Workgroup shall submit a final report of the results of its study  
21 and its recommendations for meeting the needs of North Carolina communities with chronic  
22 economic distress, including any proposed legislation, to the General Assembly no later than  
23 March 1, 2017. The Workgroup shall terminate on March 1, 2017, or upon the filing of its final  
24 report, whichever occurs first.

25 **SECTION 3.** Section 4.1 of S.L. 2014-18, as amended by Section 14.1 of 2015-241  
26 and Section 5.2A of S.L. 2015-268, reads as rewritten:

27 **"SECTION 4.1.** No later than January 1, 2015, the Departments of Commerce, Environment  
28 and Natural Resources, and Transportation shall have at least one employee physically located in  
29 the same office in each of the Collaboration for Prosperity Zones set out in G.S. 143B-28.1 to  
30 serve as that department's liaison with the other departments and with local governments, schools  
31 and colleges, planning and development bodies, and businesses in that zone. The departments  
32 shall jointly select the office. For purposes of this Part, the Department of Commerce may contract  
33 with a North Carolina nonprofit corporation pursuant to G.S. 143B-431A, as enacted by this act, to  
34 fulfill the departmental liaison requirements for each office in each of the Collaboration for  
35 Prosperity Zones, and the Department of Environment and Natural Resources shall fulfill the  
36 departmental liaison requirements from existing and funded positions. The Department of  
37 Commerce shall additionally have at least one employee from the Rural Economic Development  
38 Division Main Street and Rural Planning Center physically located in each office in each of the  
39 Collaboration for Prosperity Zones, who shall be responsible for assisting communities in the  
40 Prosperity Zone with adding value to their economic and community development projects by  
41 assisting communities with solutions including economic development strategic planning,  
42 land-use planning, implementation services, downtown economic revitalization, and technical  
43 support.

44 No later than January 1, 2015, the Community Colleges System Office shall designate at least  
45 one representative from a community college or from the Community Colleges System Office to  
46 serve as a liaison in each Collaboration for Prosperity Zone for the community college system, the  
47 community colleges in the zone, and other educational agencies and schools within the zone. A  
48 liaison may be from a business center located in a community college. These liaisons are not  
49 required to be collocated with the liaisons from the Departments of Commerce, Environment and  
50 Natural Resources, and Transportation.

1 No later than January 1, 2015, the State Board of Education shall designate at least one  
2 representative from a local school administrative unit or from the Department of Public Instruction  
3 to serve as a liaison in each Collaboration for Prosperity Zone for the local school administrative  
4 units and other public schools within the zone. These liaisons are not required to be collocated  
5 with the liaisons from the Departments of Commerce, Environment and Natural Resources, and  
6 Transportation."

7 **SECTION 4.** Section 1 of this act is effective when it becomes law and applies to  
8 reports submitted on or after that date. The remainder of this act is effective when it becomes law.