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SENATE BILL DRS15292-MCz-206* (03/31)

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

Sponsors: Senator Brown (Primary Sponsor).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO STUDY AND MAKE ECONOMIC DEVELOPMENT CHANGES.

The General Assembly of North Carolina enacts:

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

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

...

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

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

...."

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

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

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

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

SECTION 2.(c) The member of the House of Representatives shall be a cochair, and 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.