HOUSE BILL DRH10617-NBa-171

Short Title:	Critical Technologies Manufacturing Fund. (Public)
Sponsors:	Representative Roberson.
Referred to:	

1   A BILL TO BE ENTITLED
2   AN ACT TO ESTABLISH THE CRITICAL TECHNOLOGIES MANUFACTURING FUND.
3   The General Assembly of North Carolina enacts:
4   **SECTION 1.** Article 10 of Chapter 143B of the General Statutes is amended by
5   adding a new Part to read:
6   "Part 2L. Critical Technologies Manufacturing Fund.
7   "**§ 143B-437.110. Critical Technologies Manufacturing Fund.**
8   (a)   Fund; Purpose. – There is established the Critical Technologies Manufacturing Fund
9   as a special revenue fund in the Department of Commerce to provide funds to support the
10 manufacture of critical technology by eligible businesses to enhance the economic
11 competitiveness of this State and to promote the national security and energy independence from
12 foreign energy sources. The funds in the Fund do not revert but remain available to the
13 Department for these purposes. The Department shall adopt rules in accordance with this Part
14 providing for the administration of the Fund. The Department may use up to five percent (5%)
15 of the funds for administrative costs in operating the Fund.
16   (b)   Use of Funds; Eligibility. – Funds shall be used to provide grants to eligible
17 businesses that manufacture critical technologies or components and materials essential to critical
18 technologies. The Department shall prioritize grants for applicants in accordance with subsection
19 (e) of this section. Each grant shall have a maximum of two hundred thousand dollars ($200,000).
20 The Department may allocate up to ten percent (10%) of the balance of the Fund each fiscal year
21 for businesses located in this State for any other purpose the Department determines to be in
22 alignment with the purpose of the Fund.
23   (c)   Definitions. – The following definitions apply in this Part:
24   (1)   Business. – A corporation, sole proprietorship, cooperative association,
25   partnership, S corporation, limited liability company, nonprofit corporation,
26   or other form of business organization, located either within or outside this
27   State.
28   (2)   Critical technology. – Any of the following:
29   a.   A clean energy or clean transportation technology, including the
30   manufacturing of semiconductors.
31   b.   Cybersecurity technology.
32   c.   Technology essential to supporting, maintaining, or constructing the
33   domestic electrical grid, or for proper handling or management of
34   recycling or reusing decommissioned renewable energy equipment.
35   d.   Drinking water infrastructure.

1   e.   Any materials or components directly used in the technologies listed
2   in this subdivision.
3   (3)   Department. – The Department of Commerce.
4   (4)   Eligible business. – A business primarily engaged in the manufacturing sector,
5   as defined by NAICS, sectors 31 through 33, that manufactures or agrees to
6   manufacture critical technology in this State.
7   (5)   Fund. – Critical Technologies Manufacturing Fund.
8   (6)   NAICS. – North American Industry Classification System.
9   (d)   Grant Conditions. – Grants are made pursuant to an agreement with an eligible
10   business that includes, at a minimum, all of the following:
11   (1)   A provision requiring an eligible business to certify in writing that it will use
12   the grant provided from the Fund for the manufacturing of critical technology
13   or, if for another purpose as determined by the Department, the agreed purpose
14   reflected in the grant application.
15   (2)   A provision establishing the number and duration of jobs the eligible business
16   must create and maintain.
17   (3)   A provision establishing the method for determining compliance with the
18   grant conditions.
19   (4)   A provision requiring recapture of the grant funds if the eligible business fails
20   to comply with the requirements of the grant.
21   (e)   Prioritization. – The factors for priority in this subsection apply to applications for
22   grants from the Fund. The Department must prioritize the following factors when evaluating
23   applications:
24   (1)   If the grant applicant is not currently manufacturing critical technologies but
25   would manufacture critical technologies using the grant received.
26   (2)   The grant applicant would use the funds as a required cost-share for federal
27   manufacturing grants.
28   (f)   Failure to Comply with Grant Requirements. – If an eligible business receiving a grant
29   fails to meet or comply with any condition or requirement set forth in an agreement or with
30   criteria developed by the Department, the Department may reduce the amount of the grant or
31   may terminate the agreement, or both. The reduction in the amount of the grant must, at a
32   minimum, be proportional to the failure to comply measured relative to the condition or criterion
33   with respect to which the failure occurred. The Department shall notify an affected business of
34   the reduction to its grant payment.
35   (g)   Report. – No later than March 1 of each year in which grants are disbursed or there is
36   a cash balance remaining in the Fund, the Department shall submit a report to the Joint
37   Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal
38   Research Division. Each report shall contain, at a minimum, all of the following:
39   (1)   The number of grants awarded.
40   (2)   The average grant amount.
41   (3)   The total amount granted to date.
42   (4)   The businesses that have received a grant and a summary and description of
43   each grant.
44   (5)   The total amount of grants that have been recaptured."
45   **SECTION 2.** There is appropriated from the General Fund to the Department of
46   Commerce the sum of four million dollars ($4,000,000) in nonrecurring funds for the 2022-2023
47   fiscal year for the Critical Technologies Manufacturing Fund.
48   **SECTION 3.** This act becomes effective July 1, 2022.