

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H.B. 1009
May 2, 2024
HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10547-NIa-156A

Short Title: Loc. Gov. Eco. Dev. Capacity Distress Funding. (Public)

Sponsors: Representative Reives.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE A GRANT PROGRAM TO PROVIDE QUALIFYING LOCAL
3 GOVERNMENTS WITH GRANT FUNDING FOR SPECIFIC PURPOSES AND TO
4 APPROPRIATE MONEY FOR PURPOSES CONSISTENT WITH THE GRANT
5 PROGRAM.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** Definitions. – The following definitions apply in this act:

8 (1) Department. – The Department of Commerce.

9 (2) Eligible entity. – Any of the following organizations:

10 a. The North Carolina Association of Regional Councils of Government.

11 b. The North Carolina League of Municipalities.

12 c. The North Carolina Association of County Commissioners.

13 (3) Qualifying local government. – A county, or city located within a county, that
14 is ranked within the 20 most distressed counties in the State pursuant to
15 G.S. 143B-437.08.

16 **SECTION 1.(b)** Findings. – The General Assembly finds that it is the policy of the
17 State to provide resources to stimulate economic development throughout the State and that it is
18 of particular importance to stimulate economic development in the rural and most economically
19 distressed parts of the State. The General Assembly further finds that many of the most
20 economically distressed counties in North Carolina lack the resources necessary both to develop
21 the capacity for economic development and to apply for economic development or water resource
22 projects, thereby rendering those counties unable to take advantage of State and federal programs
23 without dedicated capacity building and grant writing support.

24 **SECTION 1.(c)** Funding. – There is appropriated from the General Fund to the
25 Department the sum of twenty-one million dollars (\$21,000,000) in nonrecurring funds for the
26 2024-2025 fiscal year to be allocated as provided in subdivisions (1) through (3) of this
27 subsection. Funds appropriated under this subsection shall not revert but shall remain available
28 for the purposes provided in this act until expended. Up to one percent (1%) of the funds allocated
29 to each eligible entity by this subsection may be used by that entity for administrative purposes.
30 Subject to the conditions set forth in subsection (d) of this section, the funds appropriated under
31 this subsection shall be allocated as follows:

32 (1) Seven million dollars (\$7,000,000) to the North Carolina Association of
33 Regional Councils of Government to be used for purposes consistent with this
34 act.

35 (2) Seven million dollars (\$7,000,000) to the North Carolina League of
36 Municipalities to be used for purposes consistent with this act.



- 1 (3) Seven million dollars (\$7,000,000) to the North Carolina Association of
2 County Commissioners to be used for purposes consistent with this act.

3 **SECTION 1.(d)** Reciprocal Agreements Required. – Prior to receiving allocations
4 under subsection (c) of this section, each eligible entity shall, with the assistance of the
5 Department, enter into any reciprocal agreements the Department deems necessary to effectuate
6 the purposes of this act. No funds shall be allocated to any eligible entity under this act until
7 every eligible entity has, to the satisfaction of the Department, complied with the terms of this
8 subsection. The agreements required by this subsection shall, at a minimum, include a provision
9 or provisions that provide for the following:

- 10 (1) That each eligible entity shall use the funds allocated to them under this act
11 for purposes consistent with this act.
12 (2) Specification of which entity or entities will provide funding to which
13 qualifying local government or governments.
14 (3) Detail of the responsibilities between and among the eligible entities regarding
15 the provision of grant funding to qualifying local governments.
16 (4) The overall purpose (i) for which the eligible entities are providing funds and
17 (ii) for which qualifying local governments shall use the funds.
18 (5) Any other provision that, in the discretion of the Department or any eligible
19 entity, should be included.

20 **SECTION 1.(e)** Use of Funds. – Funds allocated by subdivisions (1) through (3) of
21 subsection (c) of this section shall be used, collaboratively, by eligible entities, pursuant to the
22 terms of the agreements set forth in subsection (d) of this section, to provide grants to qualifying
23 local governments for purposes consistent with this subsection. All qualifying local governments
24 are eligible to apply for grant funding under this act. Eligible entities shall, in consultation with
25 the Department and pursuant to the terms of any agreements entered into under subsection (d) of
26 this section, establish guidelines for providing for administration of the funds allocated pursuant
27 to subsection (c) of this section. Those guidelines shall include, at a minimum, the following
28 provisions, which shall apply to each grant made:

- 29 (1) Grants shall only be issued to qualifying local governments who, in the
30 opinion of the eligible entities, are best positioned to use the funding to (i)
31 propose and manage economic development projects in that local
32 government's jurisdiction, (ii) apply for, and manage, grants, or (iii) further a
33 purpose outlined in subdivisions (2) through (5) of this subsection.
34 (2) Hosting leadership conferences or training workshops.
35 (3) Providing scholarships.
36 (4) Hosting MPA fellowships, in partnership with the School of Government at
37 the University of North Carolina at Chapel Hill.
38 (5) Any other purpose that, in the opinion of the eligible entities and the
39 Department, is in accordance with the purposes and intent of this act.

40 **SECTION 1.(f)** Reporting. – Eligible entities and the Department shall submit
41 separate reports to the chairs of the Joint Legislative Oversight Committee on Economic
42 Development and Global Engagement and the Fiscal Research Division by March 1, 2025, on
43 the implementation of this Program. The report shall include, at a minimum, the following
44 information:

- 45 (1) The total number of grants awarded, and the total dollar cost awarded.
46 (2) The purposes for which grant funding was issued.

47 **SECTION 2.** This act becomes effective on the occurrence of the latter of (i) July 1,
48 2024, or (ii) the execution of the reciprocal agreements required by subsection (d) of Section 1
49 of this act. The Department shall notify the Office of State Budget and Management when the
50 reciprocal agreements required by subsection (d) of Section 1 of this act are executed. This act

1 expires June 30, 2025, if the execution of the reciprocal agreements required by subsection (d)
2 of Section 1 of this act do not occur.