

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1225*

Short Title: Rural Center Funds. (Public)

Sponsors: Representatives Crawford, Yongue, Allen (Primary Sponsors); Cleveland, Cole, Faison, Farmer-Butterfield, Hall, Hill, Wainwright, Wilkins, and Wray.

Referred to: Appropriations.

March 29, 2007

A BILL TO BE ENTITLED

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2 AN ACT TO EXPAND THE ECONOMIC INFRASTRUCTURE FUND TO
3 STIMULATE JOB-CREATING VENTURES AND TO EXPAND SMALL
4 BUSINESS OPPORTUNITIES AND TO PROVIDE ECONOMIC TRANSITION
5 IN DISTRESSED RURAL AREAS.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.1.** There is appropriated from the General Fund to the North
8 Carolina Rural Economic Development Center, Inc., (Rural Center) the sum of twenty
9 million dollars (\$20,000,000) for the 2007-2008 fiscal year to expand the North
10 Carolina Rural Economic Infrastructure Fund with targeted priority to severely
11 distressed rural areas.

12 **SECTION 1.2.** The Rural Center shall use the funds appropriated in this act
13 to establish and implement the Rural Economic Transition Program. This program shall
14 provide grants and equity investments to carry out transformative economic
15 development and agricultural enhancement projects that will generate jobs and expand
16 business activity.

17 **SECTION 1.3.** Units of local government and nonprofit organizations in
18 rural areas are eligible for grants, with priority to applicants in development tier one
19 areas as defined in G.S. 143B-437.08.

20 **SECTION 1.4.** Priority for grant fund shall be given to economic
21 development projects that satisfy one or more of the following criteria:

- 22 (1) It is located in a county or census area with a persistently high poverty
23 rate of at least one hundred fifty percent (150%) of the State's poverty
24 rate according to the most recent decennial census.
- 25 (2) It is located in a community that has experienced a sudden and severe
26 economic downturn as reflected in numbers of business closings,
27 layoffs, and unemployment rate during the previous 12 months.

- 1 (3) It is located in a small town with a population under 10,000, an
2 agrarian growth zone as defined in G.S 143B-437.10, or an urban
3 progress zone as defined in G.S. 143B-437.09.
- 4 (4) It is identified in community-based strategic planning efforts and
5 coordinated with other economic development and
6 community-building initiatives, such as the North Carolina Rural
7 Economic Development Center Small Town Economic Prosperity
8 Program, the North Carolina Department of Commerce 21st Century
9 Communities Program, the North Carolina Department of Commerce
10 Main Street Program, and federally-funded Comprehensive Economic
11 Development Strategies.
- 12 (5) It is supportive of strategies to expand entrepreneurial, small business
13 activity based on the natural, cultural, or historical assets of the
14 community.
- 15 (6) It has the ability to demonstrate benefits to small farm business
16 diversifying into value-added production and marketing and it
17 increases opportunities in food and beverage manufacturing and
18 distribution for small farm entrepreneurs.

19 **SECTION 1.5.** Eligible units of local government and nonprofit
20 organizations are not required to match grants received under this act, but shall
21 demonstrate the commitment of other funds to the project.

22 **SECTION 1.6.** Up to twenty percent (20%) of the funds appropriated in this
23 act may be used for equity investments and loans through the Rural Venture Fund to
24 private business ventures that will substantially transform and improve the economic
25 status of rural areas, with priority to businesses locating or expanding in development
26 tier one areas as defined in G.S. 143B-437.08.

27 **SECTION 2.1.** The Rural Center may use a portion of the funds
28 appropriated under this act, not to exceed four percent (4%) for administration of the
29 programs created by this act.

30 **SECTION 2.2.** The Rural Center may contract with other State agencies and
31 branches of The University of North Carolina for certain aspects of the programs
32 created under this act, including the design of program guidelines and evaluation of
33 program results.

34 **SECTION 2.3.** The Rural Center shall report to the Joint Legislative
35 Commission on Governmental Operations on a quarterly basis concerning the progress
36 of the programs created under this act. The first report is due no later than February 15,
37 2008.

38 **SECTION 3.** This act becomes effective July 1, 2007.