

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011**

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HOUSE BILL 800

Short Title: Streamlining NC Economic Dev for Job Creation. (Public)

Sponsors: Representatives Murry, McComas, Moffitt, and Collins (Primary Sponsors).
For a complete list of Sponsors, see Bill Information on the NCGA Web Site.

Referred to: Commerce and Job Development.

April 7, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE THE NORTH CAROLINA JOBS AND COMMERCE
3 CORPORATION TASK FORCE TO STUDY THE IMPLEMENTATION OF THE
4 TRANSFERRING OF ECONOMIC DEVELOPMENT ACTIVITIES INTO A SINGLE
5 ENTITY.

6 Whereas, the economic development activities in North Carolina are seemingly
7 moving in various directions; and

8 Whereas, the economic development activities in North Carolina have no central
9 governance to prevent duplicative efforts and monitor effectiveness; and

10 Whereas, a single economic development governance structure, coupled with a
11 detailed implementation plan to establish a public-private partnership, would help to streamline
12 and add a layer of accountability to economic development activities; and

13 Whereas, the current economic conditions highlight the need for efficient economic
14 development activities, accountability, and oversight to maximize the assistance to businesses,
15 both small and large, to expand, grow, and create jobs; Now, therefore,
16 The General Assembly of North Carolina enacts:

17 **SECTION 1.1.** Creation. – Effective July 1, 2012, there is created the North
18 Carolina Jobs and Commerce Corporation (NCJCC), which is intended to replace the current
19 economic development governance structure currently located in other State entities, including
20 the Department of Commerce and which shall be housed within the Small Business
21 Technology and Development Center (SBTDC) within The University of North Carolina. The
22 structure, duties, responsibilities, and functions of the NCJCC and the implementation plan of
23 transferring the economic development activities within this State to the NCJCC shall be
24 studied by the North Carolina Jobs and Commerce Corporation Task Force established
25 pursuant to Section 2 of this act.

26 **SECTION 1.2.** Corporate board. – The Board of Directors of the NCJCC shall be
27 composed of the Secretary of Commerce as an ex officio member and of 15 members, as
28 follows:

- 29 (1) Six members appointed by the Speaker of the House of Representatives as
30 follows:
- 31 a. An individual who is a member or a representative of a member of
32 the North Carolina Economic Developers Association and who
33 represents a rural county, as defined in G.S. 143B-437.45.
 - 34 b. An individual who is a member or a representative of a member of
35 the North Carolina Chamber of Commerce.



- 1 c. Three individuals who are members of the House of Representatives
2 at the time of appointment, at least one of which represents the
3 minority party.
- 4 d. An individual with small business ownership experience. As used in
5 this act, "small business" is as defined in G.S. 105-129.50.
- 6 (2) Six members appointed by the President Pro Tempore of the Senate as
7 follows:
- 8 a. An individual who is a member or a representative of a member of
9 the North Carolina Economic Developers Association and who
10 represents an urban area. As used in this act, "urban area" means
11 places of 2,500 or more persons incorporated as cities, villages,
12 boroughs, or towns.
- 13 b. An individual who is a member or a representative of a member of
14 the National Federation of Independent Business.
- 15 c. Three individuals who are members of the Senate at the time of
16 appointment, at least one of which represents the minority party.
- 17 d. An individual with experience in the private corporate sector.
- 18 (3) Three members of the public who are not State employees and have not left
19 State service within a period of not less than 12 months preceding the
20 appointment, as follows:
- 21 a. An individual appointed by the Governor.
- 22 b. An individual appointed by the Speaker of the House of
23 Representatives.
- 24 c. An individual appointed by the President Pro Tempore of the Senate.

25 The Board of Directors shall have two cochair, one designated by the President Pro
26 Tempore of the Senate and one designated by the Speaker of the House of Representatives
27 from among their appointees.

28 **SECTION 1.3.** Responsibilities. – Effective July 1, 2012, responsibilities of and
29 monies located in entities and funds listed in Section 2.3 of this act shall be transferred to the
30 NCJCC, which shall assume the oversight of the State's economic development programs.

31 **SECTION 2.1.** Establishment. – The North Carolina Jobs and Commerce
32 Corporation Task Force is established.

33 **SECTION 2.2.** Membership. – The Task Force shall be composed of 3 ex officio
34 members appointed by the Governor and 12 members, as follows:

- 35 (1) Six members appointed by the Speaker of the House of Representatives as
36 follows:
- 37 a. An individual who is a member or a representative of a member of
38 the North Carolina Economic Developers Association and who
39 represents a rural county, as defined in G.S. 143B-437.45.
- 40 b. An individual who is a member or a representative of a member of
41 the North Carolina Chamber of Commerce.
- 42 c. Three individuals who are members of the House of Representatives
43 at the time of appointment, at least one of which represents the
44 minority party.
- 45 d. An individual with small business ownership experience. As used in
46 this act, "small business" is as defined in G.S. 105-129.50.
- 47 (2) Six members appointed by the President Pro Tempore of the Senate as
48 follows:
- 49 a. An individual who is a member or a representative of a member of
50 the North Carolina Economic Developers Association and who
51 represents an urban area. As used in this act, "urban area" means

1 places of 2,500 or more persons incorporated as cities, villages,
2 boroughs, or towns.

- 3 b. An individual who is a member or a representative of a member of
4 the National Federation of Independent Business.
5 c. Three individuals who are members of the Senate at the time of
6 appointment, at least one of which represents the minority party.
7 d. An individual with experience in the private corporate sector.

8 The Task Force shall have two cochairs, one designated by the President Pro
9 Tempore of the Senate and one designated by the Speaker of the House of Representatives
10 from among their appointees. The Task Force shall meet upon the call of the cochairs.
11 Vacancies shall be filled by the appointing authority. A quorum of the Task Force shall be a
12 majority of the members.

13 **SECTION 2.3.** Duties. – The Task Force shall do the following:

- 14 (1) Evaluate the State's current system of economic incentives to determine
15 which economic incentives in the State's current portfolio are providing a
16 good return on investment and are effectively recruiting high-value jobs to
17 the State.
18 (2) Examine the existing grant, loan, and other economic development programs
19 to determine where there are duplicative incentives. The examined programs
20 shall include, at a minimum, the following:
21 a. The International Trade Division of the Department of Commerce.
22 b. The Economic Development Intelligence System of the Department
23 of Commerce.
24 c. The Division of Business and Industry Development of the
25 Department of Commerce.
26 d. The Economic Development Board of the Department of Commerce.
27 e. The Job Development Investment Grant program.
28 f. The One North Carolina Fund.
29 g. The One North Carolina Small Business Fund.
30 h. The Industrial Development Fund.
31 i. The Industrial Development Fund Utility Account.
32 j. The Job Maintenance and Capital Development Fund.
33 k. The Green Business Fund.
34 l. The Site Infrastructure Grant.
35 m. The Economic Development Reserve.
36 n. The Regional Economic Development Commissions.
37 o. The NC Biotechnology Center.
38 p. The NC Institution of Minority Economic Development.
39 q. Pass-through appropriations for the NC Center for Automotive
40 Research, community development corporations, the High Point
41 Furniture Market, the Duplin Agribusiness Center, the Gaston
42 County Economic Development Commission, the Kerr-Tar Regional
43 Economic Development Commission, the Hoke County Regional
44 Industrial Park, Johnson & Wales University, the Defense and
45 Security Technology Accelerator, and the Rural Economic
46 Development Center.
47 r. Funding provided to institutions of higher learning for community
48 engagement, regional development, extension services, business
49 centers, and other collaborative endeavors to foster economic
50 development.

1 s. Any other discretionary funds which have been authorized or have
2 received, directly or indirectly, appropriations or allocations
3 originating from the General Fund.

4 (3) Develop a plan of implementation to eliminate redundant economic
5 development entities engaged in similar or overlapping activities by
6 transferring the State's portfolio of incentives and activities into a new,
7 streamlined, nongovernmental entity.

8 (4) Recommend guidance and oversight protocols for the new entity to ensure
9 effective, ongoing auditing of the State's portfolio of economic incentives so
10 as to increase accountability and to ensure that nonproductive incentives are
11 dynamically adjusted to provide a good return on investment or eliminated.

12 (5) Establish metrics to provide data that quantifies the impact of each retained
13 economic incentive, including how many jobs are created, how many jobs
14 are maintained, and how grants, loans, or other monetary and nonmonetary
15 assistance has assisted businesses to grow or expand.

16 (6) Study and recommend emerging growth areas that are appropriate targets for
17 future or needed economic incentive activities and that recognize the
18 realities of the present-day economy.

19 **SECTION 2.4.** Compensation; administration. – Members of the Task Force shall
20 receive subsistence and travel allowances at the rates set forth in G.S. 120-3.1, 138-5, or 138-6,
21 as appropriate. With the prior approval of the Legislative Services Task Force, the Legislative
22 Services Officer shall assign professional and clerical staff to assist in the work of the Task
23 Force. The SBTDC shall provide advice and staffing to the Task Force. Provision of such
24 advice and staffing shall be coordinated through the President of The University of North
25 Carolina. With the prior approval of the Legislative Services Commission, the Task Force may
26 hold its meetings in the State Legislative Building or the Legislative Office Building. The Task
27 Force may also meet at various locations around the State in order to promote greater public
28 participation in its deliberations. The Task Force, while in the discharge of its official duties,
29 may exercise all the powers provided under the provisions of G.S. 120-19 and G.S. 120-19.1
30 through G.S. 120-19.4, including the power to request all officers, agents, agencies, and
31 departments of the State to provide any information, data, or documents within their
32 possession, ascertainable from their records, or otherwise available to them and the power to
33 subpoena witnesses. The Task Force may meet during a regular or extra session of the General
34 Assembly.

35 **SECTION 2.5.** Report. – The Task Force shall report its findings and
36 recommendations, including any statutory changes necessary to improve the effectiveness and
37 efficiency of the NCJCC to the 2012 Regular Session of the 2011 General Assembly no later
38 than May 1, 2012. The Task Force shall terminate upon the filing of its final report.

39 **SECTION 2.6.** Of the funds appropriated to the General Assembly, the Legislative
40 Services Commission shall allocate funds for the expenses of the Task Force established by this
41 act. Such allocation may be accomplished by transfer of funds to The University of North
42 Carolina or the Small Business Technology and Development Center. Funds appropriated to
43 The University of North Carolina or Small Business Technology and Development Center may
44 also be used to provide professional and clerical assistance as provided by this act.

45 **SECTION 3.** This act becomes effective July 1, 2011.