

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2003

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SENATE BILL 168  
Finance Committee Substitute Adopted 7/9/03

Short Title: Economic Development District.

(Public)

Sponsors:

Referred to:

February 25, 2003

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE FOR THE CREATION OF ECONOMIC DEVELOPMENT  
3 AND TRAINING DISTRICTS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Article 16 of Chapter 153A of the General Statutes is amended  
6 by adding a new Part to read:

7 "Part 3. Economic Development and Training Districts.

8 **"§ 153A-317.11. Purpose for which districts may be created.**

9 The board of commissioners of any county may define a county economic  
10 development and training district, as provided in this Part, to finance, provide, and  
11 maintain for the district a skills training center in cooperation with its community  
12 college branch in or for the county to prepare residents of the county to perform  
13 manufacturing, research and development, and related service and support jobs in the  
14 pharmaceutical, biotech, life sciences, chemical, telecommunications, and electronics  
15 industries, and allied, ancillary, and subordinate industries, to provide within the district  
16 any of the education, training, and related services, facilities, or functions that a county  
17 or a city is authorized by general law to provide, finance, or maintain, and to promote  
18 economic development in the county. The skills training center and related services  
19 shall be financed, provided, or maintained in the district either in addition to or to a  
20 greater extent than training facilities and services are financed, provided, or maintained  
21 in the entire county.

22 **"§ 153A-317.12. Definition of economic development and training district.**

23 (a) Standards. – The board of commissioners may by resolution establish an  
24 economic development and training district for an area or areas of the county that, at the  
25 time the resolution is adopted, meet the following standards:

- 26 (1) All of the real property in the district primarily is being used for, or is  
27 subject to, a declaration of covenants, conditions, and restrictions that  
28 limits its use primarily to biotech processing, chemical manufacturing,  
29 pharmaceutical manufacturing, electronics manufacturing,

- 1 telecommunications manufacturing, and any allied, ancillary, or  
2 subordinate uses including, without limitation, any research and  
3 development facility, headquarters or office, temporary lodging  
4 facility, restaurant, warehouse, or transportation or distribution facility.
- 5 (2) The district includes at least two pharmaceuticals manufacturing or  
6 bioprocessing facilities occupying sites in the district containing in the  
7 aggregate at least 425 acres owned by publicly held corporations.
- 8 (3) The bioprocessing and pharmaceuticals manufacturing facilities in the  
9 district employ in the aggregate at least 1,600 persons.
- 10 (4) The district includes an industrial park consisting of at least 60 acres  
11 within a noncontiguous parcel of at least 625 acres now or formerly  
12 owned by an airport authority.
- 13 (5) The district's zoning classifications permit the uses listed in this  
14 section.
- 15 (6) All real property in the district is either zoned for or is being used  
16 primarily for pharmaceutical, biotech, life sciences, chemical,  
17 telecommunications, or electronics manufacturing or processing or  
18 allied, ancillary, or subordinate uses.
- 19 (7) The district shall include a skills training center situated on a tract  
20 containing not less than eight acres, which facility shall be designed  
21 and staffed to provide relevant training to prepare existing or  
22 prospective employees of targeted industries for jobs in one or more of  
23 the pharmaceutical, biotech, life sciences, chemical,  
24 telecommunications, and electronics industries and allied, ancillary, or  
25 subordinate industries. The training center shall be completed within a  
26 reasonable period after the creation of the district.
- 27 (8) At the date of creation, no part of the district lies within the boundaries  
28 of any incorporated city or town.
- 29 (9) There exists a uniform set of covenants, conditions, restrictions, and  
30 reservations that applies to all real property in the district other than  
31 property owned by the federal, State, or local government.
- 32 (10) There exists in the district an association of owners and tenants to  
33 which owners of real property representing at least fifty percent (50%)  
34 of the assessed value of real property in the district belong, which  
35 association can make the recommendations provided for in G.S.  
36 153A-317.13.
- 37 (11) A petition requesting creation of the district signed by owners of real  
38 property in the district who own real and personal property  
39 representing at least fifty percent (50%) of the total assessed value of  
40 the real and personal property in the district has been presented to the  
41 board of commissioners. In determining the assessed value of real and  
42 personal property in the district and the owners of real property, there  
43 shall be excluded: (i) real property exempted from taxation and real  
44 property classified and excluded from taxation and (ii) the owners of

1           such exempted or classified and excluded property. Assessed value  
2           shall mean the most recent values determined by the county for the  
3           imposition of taxes on real and personal property.

4       (b) Findings. – The board of commissioners may establish an economic  
5       development and training district if, upon the information and evidence it receives, the  
6       board determines that:

7           (1)   The proposed district meets the standards set forth in subsection (a) of  
8           this section;

9           (2)   Economic development of the county will be served by providing  
10          selected skills training in a facility designed specifically to address the  
11          needs of targeted industries such as pharmaceuticals, biotech  
12          processing, telecommunications, electronics, and allied, ancillary, or  
13          subordinate supplies or services to induce existing industries and  
14          targeted industries to improve and expand their facilities and new  
15          industries to locate facilities in the district, thereby providing  
16          employment opportunities for the residents of the county;

17          (3)   It is impossible or impractical to provide training facilities and services  
18          on a countywide basis to all existing and future employers in the  
19          county to the same extent as such training services are intended to be  
20          furnished within the district; and

21          (4)   It is economically feasible to provide the proposed training facilities  
22          and services in the district without unreasonable or burdensome tax  
23          levies.

24       (c) Report. – Before the public hearing required by subsection (d) of this section,  
25       the board of commissioners shall cause to be prepared a report containing all of the  
26       following:

27           (1)   A map of the proposed district showing its proposed boundaries.

28           (2)   A statement showing that the proposed district meets the standards set  
29           out in subsection (a) of this section.

30           (3)   A plan for providing the skills training center and training services to  
31           the district.

32       The report shall be available for public inspection in the office of the clerk to the board  
33       for at least four weeks before the date of the public hearing.

34       (d) Hearing and Notice. – The board of commissioners shall hold a public  
35       hearing before adopting any resolution defining a district under this section. Notice of  
36       the hearing shall state the date, hour, and place of the hearing and its subject and shall  
37       include a map of the proposed district and a statement that the report required by  
38       subsection (c) of this section is available for public inspection in the office of the clerk  
39       to the board. The notice shall be published at least once not less than one week before  
40       the date of the hearing. In addition, it shall be mailed at least four weeks before the date  
41       of the hearing by any class of U.S. mail which is fully prepaid to the owners as shown  
42       by the county tax records as of the preceding January 1 (and at the address shown  
43       thereon) of all property located within the proposed district. The person designated by

1 the board to mail the notice shall certify to the board that the mailing has been  
2 completed, and the certificate shall be conclusive in the absence of fraud.

3 (e) Effective Date. – The resolution creating a district shall take effect at the  
4 beginning of the fiscal year commencing after its passage or such other date as shall be  
5 determined by the board of commissioners.

6 **"§ 153A-317.13. Advisory committee.**

7 (a) Creation. – The board of commissioners, in the resolution establishing an  
8 economic development and training district, shall also provide for an advisory  
9 committee for the district. The committee shall consist of five members, serving terms  
10 as set forth in the resolution. The resolution shall provide for the appointment or  
11 designation of a chair. The board of commissioners shall appoint the members of the  
12 advisory committee as provided in this section.

13 (b) Membership. – Three of the five committee members shall represent the  
14 association of owners and tenants, as required by G.S. 153A-317.12(a)(10), and two  
15 members shall represent the county. Before making the appointments representing the  
16 association, the board of commissioners shall request the association to submit a list of  
17 persons to be considered for appointment to the committee. The association of owners  
18 and tenants shall submit at least two names for each appointment to be made and the  
19 board of commissioners shall make the appointments to the committee representing the  
20 association from the list of persons submitted to it by the association. Whenever a  
21 vacancy occurs on the committee in a position filled by an appointment by the board of  
22 commissioners representing the association of owners and tenants, the board, before  
23 filling the vacancy, shall request the association to submit the names of at least two  
24 persons to be considered for the vacancy, and the board shall fill the vacancy by  
25 appointing one of the persons so submitted.

26 (c) Advisory Duties. – Each year, before adopting the budget for the district and  
27 levying the tax for the district, the board shall request recommendations from the  
28 advisory committee as to the type and level of services, facilities, or functions to be  
29 provided for the district for the ensuing years. The board of commissioners shall, to the  
30 extent permitted by law, expend the proceeds of any tax levied for the district in the  
31 manner recommended by the advisory committee.

32 **"§ 153A-317.14. Extension of economic development and training districts.**

33 (a) Standards. – A board of commissioners may by resolution annex territory to  
34 an economic development and training district upon finding that:

35 (1) The conditions, covenants, restrictions, and reservations required by  
36 G.S. 153A-317.12(a)(1) that apply to all real property in the district,  
37 other than property owned by the federal, State, or local government,  
38 also apply or will apply to the property, other than property owned by  
39 the federal government, to be annexed.

40 (2) One hundred percent (100%) of the owners of real property in the area  
41 to be annexed have petitioned for annexation.

42 (3) The district, following the annexation, will continue to meet the  
43 standards set out in G.S. 153A-317.12(a).

1           (4) The reasonably anticipated training needs of the existing companies in  
2 the area to be annexed and of new companies that may locate within  
3 the expanded area can be met by the skills training facility located in  
4 the district.

5           (5) The area to be annexed is either contiguous to a lot, parcel, or tract of  
6 land in the district or at least 500 acres in the aggregate counting all  
7 parcels proposed for annexation. A property shall, for purposes of this  
8 section, be deemed to be contiguous notwithstanding that it may be  
9 separated from other property by a street, road, highway, right-of-way,  
10 or easement.

11           (6) If any of the area proposed to be annexed to the district is wholly or  
12 partially within the extraterritorial jurisdiction of a municipality, then  
13 it shall be necessary to first obtain the affirmative vote of a majority of  
14 the members of the governing body of the municipality before the area  
15 can be annexed.

16           (b) Report. – Before the public hearing required by subsection (c) of this section,  
17 the board shall cause to be prepared a report containing all of the following:

18           (1) A map of the district and the territory proposed to be annexed showing  
19 the present and proposed boundaries of the district.

20           (2) A statement that the area to be annexed meets the standards and  
21 requirements of subsection (a) of this section.

22 The report shall be available for public inspection in the office of the clerk to the board  
23 for at least four weeks before the date of the public hearing.

24           (c) Hearing and Notice. – The board shall hold a public hearing before adopting  
25 any resolution extending the boundaries of a district. Notice of the hearing shall state  
26 the date, hour, and place of the hearing and its subject and shall include a statement that  
27 the report required by subsection (b) of this section is available for inspection in the  
28 office of the clerk to the board. The notice shall be published at least once not less than  
29 four weeks before the hearing. In addition, the notice shall be mailed at least four weeks  
30 before the date of the hearing by any class of U.S. mail which is fully prepaid to the  
31 owners as shown by the county tax records as of the preceding January 1 (and at the  
32 address shown thereon) of all property located within the area to be annexed. The  
33 person designated by the board to mail the notice shall certify to the board that the  
34 mailing has been completed, and the certificate shall be conclusive in the absence of  
35 fraud.

36           (d) Effective Date. – The resolution extending the boundaries of the district shall  
37 take effect at the beginning of the fiscal year commencing after its passage or such other  
38 date as shall be determined by the board.

39 **"§ 153A-317.15. Required provision or maintenance of skills training center.**

40           (a) New District. – When a county creates a district, it shall provide, maintain, or  
41 let contracts for the skills training center for which the district is being taxed within a  
42 reasonable time, not to exceed one year, after the effective date of the creation of the  
43 district.

1       (b) Extended District. – When a territory is annexed to a district, the county shall  
2 provide, maintain, or let contracts for any necessary additions to the skills training  
3 center to provide the same training provided throughout the district to existing and new  
4 industries in the area annexed to the district within a reasonable time, not to exceed one  
5 year, after the effective date of the annexation.

6 **"§ 153A-317.16. Abolition of economic development and training districts.**

7       A board of county commissioners may by resolution abolish a district upon finding  
8 that a petition requesting abolition, signed by at least fifty percent (50%) of the owners  
9 of real property in the district who own at least fifty percent (50%) of the real and  
10 personal property in the district based upon the most recent valuation thereof, has been  
11 submitted to the board and that there is no longer a need for such district. In determining  
12 the total real and personal property in the district and the number of owners of real and  
13 personal property, there shall be excluded: (i) property exempted from taxation and  
14 property classified and excluded from taxation and (ii) the owners of such exempted or  
15 classified and excluded property. The board shall hold a public hearing before adopting  
16 a resolution abolishing a district. Notice of the hearing shall state the date, hour, and  
17 place of the hearing and its subject and shall be published at least once not less than one  
18 week before the date of the hearing. The abolition of any district shall take effect at the  
19 end of a fiscal year following passage of the resolution, as determined by the board.

20 **"§ 153A-317.17. Taxes authorized; rate limitation.**

21       A county may levy property taxes within an economic development and training  
22 district, in addition to those levied throughout the county, in order to finance, provide,  
23 or maintain for the district a skills training center provided therein in addition to or to a  
24 greater extent than worker training facilities provided for the entire county. In addition,  
25 a county may allocate to a district any other revenues whose use is not otherwise  
26 restricted by law. The proceeds of taxes within a district may be expended only to pay  
27 annual debt service on up to one million two hundred thousand dollars (\$1,200,000) of  
28 the capital costs of a skills training center provided for the district and any other  
29 services or facilities provided by a county in response to a recommendation of an  
30 advisory committee.

31       Property subject to taxation in a newly established district or in an area annexed to  
32 an existing district is subject to taxation by the county as of the preceding January 1.

33       Such additional property taxes may not be levied within any district established  
34 pursuant to this Article in excess of a rate of eight cents (8¢) on each one hundred  
35 dollars (\$100.00) value of property subject to taxation.

36 **"§ 153A-317.18. Annexation by municipality.**

37       No municipality may annex pursuant to Part 2 or Part 3 of Article 4A of Chapter  
38 160A of the General Statutes or under any procedure other than Part 1 or Part 4 of that  
39 Article any or all of the real property within an economic development and training  
40 district established under this Part."

41       **SECTION 2.(a)** If the board of commissioners of Johnston County elects to  
42 establish an economic development and training district under Part 3 of Article 16 of  
43 Chapter 153A of the General Statutes, as created by this act, the district as initially  
44 established shall consist of the following real property owned by Bayer Corporation,

1 Novo Nordisk Pharmaceutical Industries, Inc., Fresenius Kabi Clayton, L.P., and the  
2 Johnston County Airport Authority:

- 3 (1) Bayer Corporation. – All of the property shown on those deeds  
4 recorded in Book 737, Page 179; Book 737, Page 180; Book 739, Page  
5 96; Book 1328, Page 644; and Book 1328, Page 648 in the office of  
6 the Register of Deeds of Johnston County.
- 7 (2) Novo Nordisk Pharmaceutical Industries, Inc. – All of the property  
8 shown on those certain plats of survey recorded in Plat Book 34, Page  
9 279 and Plat Book 46, Page 431 and as shown in that certain deed  
10 recorded in Book 1389, Page 114 in the office of the Register of Deeds  
11 of Johnston County.
- 12 (3) Fresenius Kabi Clayton, L.P. – All of the property shown on that plat  
13 of survey recorded in Plat Book 28, Page 173 in the office of the  
14 Register of Deeds of Johnston County.
- 15 (4) Johnston County Airport Authority. – All of that property known as  
16 North Aviation Industrial Park described in that certain deed recorded  
17 in Book 1433, Page 440 in the office of the Register of Deeds of  
18 Johnson County.

19 **SECTION 2.(b)** This section applies only to Johnston County.

20 **SECTION 3.** This act is effective when it becomes law.