

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**HOUSE BILL 717**

Short Title: Economic Development Funds - COG. (Public)

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Sponsors: Representatives Allen, Frye, Walker, Carney (Primary Sponsors);  
Alexander, Bryant, Church, Crawford, Faison, Gillespie, Goodwin, Insko,  
Martin, Owens, Pierce, E. Warren, Weiss, and Wray.

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Referred to: Appropriations.

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March 15, 2007

A BILL TO BE ENTITLED

1  
2 AN ACT APPROPRIATING FUNDS TO REGIONAL COUNCILS OF  
3 GOVERNMENT TO ASSIST LOCAL GOVERNMENTS ON A REGIONAL  
4 BASIS IN THE AREAS OF ECONOMIC DEVELOPMENT, COMMUNITY  
5 DEVELOPMENT, INFRASTRUCTURE, AND OTHER SIGNIFICANT LOCAL  
6 NEEDS AND TO PROVIDE TARGETED ASSISTANCE TO AID LOCAL  
7 GOVERNMENTS IN DISTRESSED COUNTIES WITH ECONOMIC  
8 RECOVERY.

9       Whereas, North Carolina's regional councils of government have provided  
10 effective assistance to local governments in every region of the State; and

11       Whereas, regional councils of government have been successful in leveraging  
12 the annual State appropriations into an impressive level of State and federal grants to  
13 benefit communities and citizens across the State and have used the annual State  
14 appropriation of \$832,150 to obtain more than \$44 million in State and federal grants  
15 each year; and

16       Whereas, North Carolina's regional councils of government bring local  
17 governments together to deal with economic growth and other common needs on a  
18 regional scale, playing a valuable role in bridging the gaps between rural and urban  
19 areas, as local governments' needs have expanded, especially in economically distressed  
20 counties and in growth areas; and

21       Whereas, regional councils of government help strengthen the attractiveness  
22 of North Carolina to businesses, tourists, and residents by assisting local governments  
23 with community development and economic development strategies, infrastructure,  
24 workforce, rural transportation, and other quality of life improvements but do not  
25 conflict with Regional Economic Development Partnerships whose main role is  
26 recruiting major industry; and

1           Whereas, regional councils of government are in an ideal position to help  
2 local governments in the State's most distressed areas develop and carry out projects to  
3 change economic conditions and restore hope to these communities; Now, therefore,  
4 The General Assembly of North Carolina enacts:

5           **SECTION 1.** There is appropriated from the General Fund to the  
6 Department of Commerce the sum of one million seven hundred thousand dollars  
7 (\$1,700,000) for each year of the 2007-2009 fiscal biennium. Funds appropriated under  
8 this section shall be allocated to regional councils of government or lead regional  
9 organizations as provided by this section. Each regional council of government or lead  
10 regional organization is allocated one hundred thousand dollars (\$100,000) for each  
11 year of the 2007-2009 fiscal biennium.

12           **SECTION 2.** A regional council of government may use funds appropriated  
13 by Section 1 of this act only to assist local governments in grant applications, economic  
14 development, community development, support of local industrial development  
15 activities, infrastructure and water resource development, and other activities as deemed  
16 appropriate by the member governments.

17           **SECTION 3.** In addition to the appropriation made under Section 1 of this  
18 act, there is appropriated from the General Fund to the Department of Commerce the  
19 sum of eight hundred twenty thousand dollars (\$820,000) to be allocated to regional  
20 councils of government to assist local government in development tier one areas, as  
21 defined in G.S. 143B-437.08. The Department shall allocate to regional councils of  
22 government the sum of twenty thousand dollars (\$20,000) for each tier one county  
23 within its region. Funds appropriated under this section shall be used only to assist local  
24 governments with planning, developing, and implementing economic development  
25 projects that are identified by those local governments as priorities critical to help them  
26 with economic recovery and to improve job and investment growth.

27           **SECTION 4.** Funds appropriated by this act shall be paid by electronic  
28 transfer in two equal installments each year, the first no later than September 1 of each  
29 year and the second subsequent to acceptable submission of the annual report due to the  
30 Joint Legislative Commission on Governmental Operations and the Fiscal Research  
31 Division by February 15 of each year as specified in Section 6 of this act.

32           **SECTION 5.** Funds appropriated in this act shall not be used for payment of  
33 dues or assessments by the member governments and shall not supplant funds  
34 appropriated by the member governments.

35           **SECTION 6.** Each regional council of government or lead regional  
36 organization shall do the following:

- 37           (1) By February 15, 2008, and more frequently as requested, report to the  
38 Joint Legislative Commission on Governmental Operations and the  
39 Fiscal Research Division the following information:
- 40           a. State fiscal year 2006-2007 program activities, objectives, and  
41           accomplishments;
  - 42           b. State fiscal year 2006-2007 itemized expenditures and fund  
43           sources;

- 1                   c.     State fiscal year 2007-2008 planned activities, objectives, and  
2                   accomplishments, including actual results through December  
3                   31, 2007; and  
4                   d.     State fiscal year 2007-2008 estimated itemized expenditures  
5                   and fund sources, including actual expenditures and fund  
6                   sources through December 31, 2007.
- 7           (2)    By February 15, 2009, and more frequently as requested, report to the  
8           Joint Legislative Commission on Governmental Operations and the  
9           Fiscal Research Division the following information:  
10           a.     State fiscal year 2007-2008 program activities, objectives, and  
11           accomplishments;  
12           b.     State fiscal year 2007-2008 itemized expenditures and fund  
13           sources;  
14           c.     State fiscal year 2008-2009 planned activities, objectives, and  
15           accomplishments, including actual results through December  
16           31, 2008; and  
17           d.     State fiscal year 2008-2009 estimated itemized expenditures  
18           and fund sources, including actual expenditures and fund  
19           sources through December 31, 2008.
- 20           (3)    Provide to the Fiscal Research Division a copy of the organization's  
21           annual audited financial statement within 30 days of issuance of the  
22           statement.

23           **SECTION 7.** This act becomes effective July 1, 2007.