



1 sum of four million dollars (\$4,000,000) for the 1993-94 fiscal year for a pilot program  
2 to provide supplemental funding for matching requirements for economic development  
3 in economically depressed areas. The Center shall use the funds to make grants to local  
4 governments and nonprofit corporations to provide funds necessary to match federal  
5 grants or other grants for necessary economic development projects and activities in  
6 economically depressed areas. The grant recipients shall be selected on the basis of  
7 need.

8 (b) Definitions. – The following definitions apply in this section:

9 (1) Economically depressed area. – Any of the following:

- 10 a. A county that the Secretary of Commerce has designated one of  
11 the most economically depressed counties in the State pursuant  
12 to G.S. 143B-437A.  
13 b. That part of a rural county whose poverty rate is at least one  
14 hundred fifty percent (150%) of the State poverty rate. For the  
15 purpose of this section, the poverty rate is the percentage of the  
16 population with income below the latest annual federal poverty  
17 guidelines issued by the United States Department of Health  
18 and Human Resources.  
19 c. That part of a rural county whose rate of unemployment is at  
20 least double the State rate of unemployment.  
21 d. That part of a rural county that experiences an actual or  
22 imminent loss of jobs in a number that is equal to or exceeds  
23 five percent (5%) of the total number of jobs in the part.

24 (2) Rural county. – A county that the United States Office of Management  
25 and Budget has not designated as a metropolitan county.

26 (c) Reports. – The North Carolina Rural Economic Development Center, Inc.,  
27 shall report quarterly to the Joint Legislative Commission on Governmental Operations  
28 and the Department of Commerce on the use of the funds appropriated in this section  
29 and on the outcomes achieved by the pilot program.

30 Sec. 2. (a) There is appropriated from the General Fund to the Department of  
31 Commerce the sum of two million dollars (\$2,000,000) for the 1993-94 fiscal year and  
32 the sum of two million dollars (\$2,000,000) for the 1994-95 fiscal year for the Industrial  
33 Development Fund created in G.S. 143B-437A.

34 (b) G.S. 143B-437A reads as rewritten:

35 **"§ 143B-437A. Industrial Development Fund.**

36 (a) There is created in the Department of Commerce the Industrial Development  
37 Fund to provide funds to assist the local government units of the most economically  
38 depressed counties in the State in creating jobs. The Department of Commerce shall  
39 adopt rules providing for the administration of the program. Those rules shall include  
40 the following:

- 41 (1) The funds shall be used for (i) installation of or purchases of  
42 manufacturing equipment or process productions equipment, (ii)  
43 structural repairs, improvements, or renovations of existing buildings  
44 to be used for manufacturing and industrial expansion, (iii)

1 construction of or improvements to new or existing water, sewer, gas,  
2 or electrical utility distribution lines or equipment for existing  
3 industrial buildings to be used for manufacturing and industrial  
4 operations, or (iv) in the case of counties designated as severely  
5 distressed counties under G.S. 105-130.40(c) or G.S. 105-151.17(c) or  
6 units of local government within those counties, construction of or  
7 improvement to new or existing water, sewer, gas, or electrical utility  
8 distribution lines or equipment to serve new or proposed industrial  
9 buildings to be used for manufacturing and industrial operations. To be  
10 eligible for funding, the water, sewer, gas, or electrical utility lines or  
11 facilities shall be located on the site of the building or, if not located on  
12 the site, shall be directly related to the operation of the specific  
13 manufacturing activity. However, the Secretary of Commerce may use  
14 up to one hundred thousand dollars (\$100,000) to provide emergency  
15 economic development assistance in any county which is documented  
16 to be experiencing a major economic dislocation.

17 (2) The funds shall be used by the city and county governments for  
18 projects that will directly result in the creation of new jobs. The funds  
19 shall be expended at a rate of ~~one thousand two hundred dollars (\$1,200)~~  
20 two thousand four hundred dollars (\$2,400) per new job created up to a  
21 maximum of two hundred fifty thousand dollars (\$250,000) per  
22 project.

23 (b) Each year, on or before December 31, the Secretary of Commerce shall  
24 designate the most economically distressed counties in the State; this designation shall  
25 remain effective for the following calendar year. The Secretary of Commerce shall  
26 determine which counties are the most economically distressed counties in the State  
27 based on (i) rate of unemployment, (ii) per capita income, and (iii) relative population  
28 and work force growth or lack of growth, as determined by the Secretary of Commerce.

29 (c) The Department of Commerce shall report annually to the General Assembly  
30 concerning the applications made to the fund and the payments made from the fund and  
31 the impact of the payments on job creation in the State. The Department of Commerce  
32 shall also report quarterly to the Joint Legislative Commission on Governmental  
33 Operations and the Fiscal Research Division on the use of the moneys in the fund,  
34 including information regarding to whom payments were made, in what amounts, and  
35 for what purposes.

36 (d) As used in this section, 'major economic dislocation' means the actual or  
37 imminent loss of:

38 (1) 500 or more manufacturing jobs in the county; or

39 (2) A number of manufacturing jobs which is equal to or more than ten  
40 percent (10%) of the existing manufacturing workforce in the county."

41 Sec. 3. There is appropriated from the General Fund to the North Carolina  
42 Rural Economic Development Center, Inc., the sum of six hundred thousand dollars  
43 (\$600,000) for the 1993-94 fiscal year for a pilot program to provide grants to depressed  
44 counties and municipalities to enable them to acquire short-term capacity for immediate

1 needs for economic development planning and writing federal grant applications. The  
2 Center shall establish standards for determining each local government's needs and shall  
3 make grants on the basis of need. The Center shall report to the Joint Select Fiscal  
4 Trends and Reform Commission on or before October 1, 1993, on the standards it has  
5 established for determining need. The Center shall report quarterly to the Joint  
6 Legislative Commission on Governmental Operations and the Department of  
7 Commerce on the use of the funds appropriated in this section and on the outcomes  
8 achieved by the pilot program.

9           Sec. 4. There is appropriated from the General Fund to the North Carolina  
10 Rural Economic Development Center, Inc., the sum of one hundred fifty thousand  
11 dollars (\$150,000) for the 1993-94 fiscal year for administrative costs in implementing  
12 the pilot programs provided in this act.

13           Sec. 5. This act becomes effective July 1, 1993.