

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL 664
PROPOSED COMMITTEE SUBSTITUTE S664-PCS15312-TG-11

Short Title: JMAC Flexibility/ABCLaws/Megasite/Selectsite.

(Public)

Sponsors:

Referred to:

March 26, 2025

A BILL TO BE ENTITLED
AN ACT TO ALLOW FLEXIBILITY IN THE EVENT OF NONCOMPLIANCE WITH A
JMAC AGREEMENT, TO AMEND ABC LAWS TO EXPAND USE OF ALTERNATING
PROPRIETORSHIPS, AND TO AMEND MEGASITES AND SELECTSITES
READINESS PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-437.012 reads as rewritten:

"§ 143B-437.012. Job Maintenance and Capital Development Fund.

...

(d) Eligibility. – A business is eligible for consideration for a grant under this section if it satisfies the conditions of subdivision (1), (1a), (2), (2a), or (2b) of this subsection and satisfies subdivision (4) of this subsection:

(1) The business is a major employer. A business is a major employer if the business meets the following requirements:

a. The Department certifies that the business has invested or intends to invest at least two hundred million dollars (\$200,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences.

b. The business employs at least 2,000 full-time employees or equivalent full-time contract employees at the project that is the subject of the grant at the time the application is made, and the business agrees to maintain at least 2,000 full-time employees or equivalent full-time contract employees at the project for the full term of the grant agreement.

c. The project is located in a development tier one area at the time the business applies for a grant.

(1a) The business previously received a grant as a major employer under this section and meets the following requirements:

a. The Department certifies that the business has invested or intends to invest at least one hundred fifty million dollars (\$150,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a six-year period beginning with the time the investment commences. Amounts certified as invested under sub-subdivision a. of subdivision (1) of this



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- 1 subsection shall not be included in the amount required by this
2 sub-subdivision.
- 3 b. The business employs at least 2,000 full-time employees or equivalent
4 full-time contract employees at the project that is the subject of the
5 grant at the time the application is made and the business agrees to
6 maintain at least 2,000 full-time employees or equivalent full-time
7 contract employees at the project for the full term of the grant
8 agreement.
- 9 c. The project is at the same location as that for which a grant was
10 previously awarded under subdivision (1) of this subsection.
- 11 (2) The business is a large manufacturing employer. A business is a large
12 manufacturing employer if the business meets the following requirements:
- 13 a. The business is in manufacturing, as defined in G.S. 105-129.81, and
14 is converting its manufacturing process to change the product it
15 manufactures or is investing in its manufacturing process by
16 enhancing pollution controls or transitioning the manufacturing
17 process from using coal to using natural gas for the purpose of
18 becoming more energy efficient or reducing emissions.
- 19 b. The Department certifies that the business has invested or intends to
20 invest at least fifty million dollars (\$50,000,000) of private funds in
21 improvements to real property and additions to tangible personal
22 property in the project within a five-year period beginning with the
23 time the investment commences.
- 24 c. The business meets one of the following employment requirements:
- 25 1. If in a development tier one area, the business employs at least
26 320 full-time employees at the project that is the subject of the
27 grant at the time the application is made, and the business
28 agrees to maintain at least 320 full-time employees at the
29 project for the full term of the grant.
- 30 2. If in a development tier two area with a population of less than
31 60,000 as of July 1, 2013, the business employs at least 800
32 full-time employees or equivalent full-time contract employees
33 at the project that is the subject of the grant at the time the
34 application is made, and the business agrees to maintain at least
35 800 full-time employees or equivalent full-time contract
36 employees at the project for the full term of the grant.
- 37 (2a) The business is a heritage manufacturing employer. A business is a heritage
38 manufacturing employer if the business meets the following requirements:
- 39 a. The business is in manufacturing, as defined in G.S. 143B-437.01, and
40 has been operating in this State for over 100 years.
- 41 b. The Department certifies that the business has invested or intends to
42 invest at least three hundred twenty-five million dollars
43 (\$325,000,000) of private funds in improvements to real property and
44 additions to tangible personal property in the project within a four-year
45 period beginning with the time the investment commences.
- 46 c. The business employs at least 1,050 full-time employees or equivalent
47 full-time contract employees in the State at the time the application is
48 made and the business agrees to (i) maintain at least 1,050 full-time
49 employees or equivalent full-time contract employees in the State for
50 the full term of the grant and (ii) retrain and relocate to a development
51 tier two area at least 400 of those full-time employees or equivalent

- 1 full-time contract employees upon the commencement of commercial
2 production at its tier two area facility.
- 3 d. The business is operating in a development tier three area at the time
4 the business applies for a grant and the business is relocating to a
5 development tier two area with an estimated population of less than
6 63,000, according to the 2017 Certified County Population Estimates
7 published by the State Demographer's Office.
- 8 e. An agreement with a business under this subdivision may provide that
9 the grant paid out over the term of the agreement be in unequal annual
10 payments and in amounts deviating from the factors listed in
11 subsection (l) of this section for any individual annual payment,
12 provided the factors are considered in the aggregate award to be paid
13 to the business over the entire term of the agreement.
- 14 (2b) The business is a supply-chain-impact manufacturing employer. A business is
15 a supply-chain-impact manufacturing employer if the business meets the
16 following requirements:
- 17 a. The business is in manufacturing, as defined in G.S. 105-129.81,
18 manufactures a product used primarily and significantly in the
19 construction of residential and commercial buildings, and is investing
20 in its manufacturing process to transition away from utilizing
21 coal-based energy byproducts to other alternatives.
- 22 b. The Department certifies that the business has invested or intends to
23 invest at least one hundred ten million dollars (\$110,000,000) of
24 private funds in improvements to real property and additions to
25 tangible personal property in the project within a five-year period
26 beginning with the time the investment commences.
- 27 c. The business and its affiliated companies (i) employ at least 420
28 full-time employees or equivalent full-time contract employees in the
29 State at the time the application is made and (ii) agree to maintain at
30 least 420 full-time employees or equivalent full-time contract
31 employees in the State for the full term of the grant.
- 32 d. The business has operations in a development tier two area at the time
33 the business applies for a grant, and the business agrees to maintain or
34 increase the development tier two area operations for the term of the
35 agreement.
- 36 ...
- 37 (j) Agreement. – Unless the Secretary of Commerce determines that the project is no
38 longer eligible or appropriate for a grant under this section, the Department shall enter into an
39 agreement to provide a grant or grants for a project recommended by the Committee. Each grant
40 agreement (i) is binding and constitutes a continuing contractual obligation of the State and the
41 business. ~~The grant agreement business, (ii) shall include the performance criteria, remedies, and~~
42 other safeguards recommended by the Committee or required by the ~~Department.~~ Department,
43 and (iii) shall contain the following provisions:
- 44 ~~Each grant agreement shall contain a~~
- 45 (1) A provision prohibiting a business from receiving a payment or other benefit
46 under the agreement at any time when the business has received a notice of an
47 overdue tax debt and the overdue tax debt has not been satisfied or otherwise
48 resolved.
- 49 (2) A provision requiring the business to maintain an employment level. For the
50 purposes of this subsection, the employment level includes full-time

employees and equivalent full-time contract employees. The applicable employment level is as follows:

a. ~~Each grant~~ If the grant agreement is for a business that ~~is~~ has qualified as a major employer under ~~subdivision (1) of~~ subsection (d) of this section ~~shall contain~~ section, a provision requiring the business to maintain the employment level at the project that is the subject of the agreement that is the lesser of the level it had at the time it applied for a grant under this section or that it had at the time that the investment required under subsection (d) of this section began. ~~For the purposes of this subsection, the employment level includes full-time employees and equivalent full-time contract employees. The agreement shall further specify that the amount of a grant shall be reduced in proportion to the extent the business fails to maintain employment at this level and that the business shall not be eligible for a grant in any year in which its employment level is less than eighty percent (80%) of that required.~~ The provision shall further require, in the event the business fails to maintain the required level of employment by more than 100 employees, a one percent (1%) reduction of the grant for every one employee below that threshold.

b. ~~Each~~ If the grant agreement is for a business that ~~is~~ has not qualified as a major employer under ~~subdivision (1) of~~ subsection (d) of this section ~~shall contain~~ section, a provision requiring the business to maintain the employment level required under that subdivision at the project that is the subject of the grant. The ~~agreement~~ provision shall further specify that the business is not eligible for a grant in any year in which the business fails to maintain the employment level.

A grant agreement may obligate the State to make a series of grant payments over a period of up to 10 years. Nothing in this section constitutes or authorizes a guarantee or assumption by the State of any debt of any business or authorizes the taxing power or the full faith and credit of the State to be pledged.

The Department shall cooperate with the Attorney General's office in preparing the documentation for the grant agreement. The Attorney General shall review the terms of all proposed agreements to be entered into under this section. To be effective against the State, an agreement entered into under this section shall be signed personally by the Attorney General.

(k) Safeguards. – To ensure that public funds are used only to carry out the public purposes provided in this section, the Department shall require that each business that receives a grant under this section shall agree to meet performance criteria to protect the State's investment and ensure that the projected benefits of the project are secured. The performance criteria to be required shall include ~~maintenance of an appropriate level of employment at specified levels of compensation,~~ compensation for required levels of employment, maintenance of health insurance for all full-time employees, investment of a specified amount over the term of the agreement, and any other criteria the Department considers appropriate. The agreement shall require the business to repay or reimburse an appropriate portion of the grant based on the extent of any failure by the business to meet the performance criteria. The agreement shall require the business to repay all amounts received under the agreement and to forfeit any future grant payments if the business fails to satisfy the investment eligibility requirement of this section. The use of contract employees shall not be used to reduce compensation at the project that is the subject of the agreement.

...."

SECTION 2. G.S. 18B-903 reads as rewritten:

"§ 18B-903. Duration of permit; renewal and transfer.

1 ...

2 (c1) Construction of Change in Ownership. – Nothing in subsection (c) of this section shall

3 be construed to limit alternating ~~brewery~~ proprietorships in which the holder of a ~~brewery~~ permit

4 under G.S. 18B-1101, 18B-1102, 18B-1103, 18B-1104, or 18B-1105 leases or otherwise makes

5 available its facility to another holder of a ~~brewery permit~~. permit under G.S. 18B-1101,

6 18B-1102, 18B-1103, 18B-1104, or 18B-1105. For purposes of this section, if authorized by

7 federal law, the host ~~brewery facility~~ may also hold, at the same facility, brewery, unfortified

8 winery, fortified winery, and distillery permits pursuant to G.S. 18B-1101, 18B-1102, 18B-1104,

9 and 18B-1105. In this arrangement, the tenant ~~brewery producer~~ shall maintain title to the ~~malt~~

10 beverages at all states of the ~~brewing~~ process and shall be responsible for all aspects associated

11 with manufacturing the product, including maintaining appropriate records, obtaining label

12 approval in its own name, and remitting the appropriate taxes. Alternating brewery

13 proprietorships are authorized between affiliated breweries, but shall not be used as a means to

14 allocate production quantities between affiliated breweries to obtain a malt beverage wholesaler

15 permit pursuant to G.S. 18B-1104(a)(8) where either brewery would not otherwise qualify for a

16 permit, and the Commission shall have no authority to grant an exemption to this requirement

17 pursuant to G.S. 18B-1116(b).

18 "

19 **SECTION 3.** Section 11.11 of S.L. 2022-74, as amended by Section 11.11 of S.L.

20 2023-134, reads as rewritten:

21 **"SECTION 11.11.(a)** Purpose. – It is in the best economic and developmental interests of

22 the State to support the development of megasites to ensure the State's ongoing competitiveness

23 for major manufacturing opportunities, including, but not limited to, the aerospace, automotive,

24 clean energy, food processing, semiconductor, and life science industries. The purpose of this

25 section is to establish a competitive grant program serving to do the following:

- 26 (1) Identify and evaluate up to seven megasites for preferred development and
- 27 marketing.
- 28 (2) Assist local governments or a partnership of local governments in the
- 29 acquisition of a newly identified or existing megasite.
- 30 (3) Support local governments or a partnership of local governments to analyze,
- 31 plan, install, or upgrade ~~public~~ infrastructure, including ~~publicly owned~~ water,
- 32 gas, and sewer systems, transportation infrastructure, and the ~~electrical utility~~
- 33 ~~lines~~ electric infrastructure necessary to meet the needs of prospective
- 34 employers for megasites.
- 35 (4) Support local governments or a partnership of local governments to fund
- 36 on-site preparation, including clearing, grading, or other related expenses for
- 37 megasites.
- 38 (4a) Support local governments or a partnership of local governments in
- 39 conducting due diligence, including, but not limited to, the following: site
- 40 characteristics, preliminary engineering reports for water and wastewater
- 41 provision to the site, assessments related to road and highway infrastructure
- 42 to serve the site, and other assessments as needed.
- 43 (5) Facilitate coordination between the economic development entities, the North
- 44 Carolina Department of Environmental Quality, and the North Carolina
- 45 Department of Transportation to expedite needs related to timely site
- 46 development.

47 ...

48 **"SECTION 11.11.(c)** Definitions. – The following definitions apply in this section:

49 ...

- 50 (4) Government partnership. – Either (i) a North Carolina nonprofit entity that is
- 51 tax exempt under section 501(c)(3) or 501(c)(12) of the Internal Revenue

Code in partnership with one or more local governments or (ii) a group of local governments.

...

"SECTION 11.11.(d) Allocation. – EDPNC shall allocate monies in the Fund on the following basis:

...

(2) All other funds appropriated to the Fund for local government grants for the ~~acquisition of megasites determined pursuant to subdivision (1) of this subsection.~~ purposes described in subsection (a) of this section. A grant for the acquisition of a megasite is limited to eighty-five percent (85%) of the lesser of the property's purchase price or tax value. The percentage actually provided in the grant shall be determined by EDPNC based on total development needs for the megasite, prior investment in the megasite by one or more local governments, the ability of one or more local governments to invest in the megasite, and the ability and level of participation promised by the local government in exchange for a grant from the Fund. Monies may only be granted for, and used to acquire, a megasite for which (i) one or more local governments have a binding option or offer to purchase and (ii) all basic due diligence must be complete, including, but not limited to, boundary surveys, title searches, State Historic Preservation Office reviews, and wetlands delineation.

...

"SECTION 11.11.(f) Agreements Required. – Monies ~~may shall~~ be disbursed from the Fund to EDPNC on a quarterly basis in four equal installments per year. EDPNC may use funds only in accordance with agreements entered into between EDPNC and a local government or a government partnership. The agreement must include all of the performance criteria, remedies, and other safeguards required to secure the assistance provided to ready the megasite for a major employer and must require EDPNC to recapture a proportionate amount of assistance provided under this section for failure by a local government or government partnership to meet and maintain the megasite for availability for the purposes for which the assistance was provided.

...."

SECTION 4. Section 11.12 of S.L. 2023-134 reads as rewritten:

"SECTION 11.12.(a) Funds appropriated by Section ~~41.4~~ 11.4(d)(1) of S.L. 2022-74 to the Department of Commerce (Department) and allocated to the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b) that remain unspent as of ~~June 30, 2023, April 1, 2025,~~ shall be transferred to the North Carolina Selectsite Fund established in subsection (c) of this section to be used for purposes consistent with subdivision (e)(1) of this section. Of the funds appropriated from the Economic Development Project Reserve established in Section 2.2 of this act to the Department to be allocated to the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b), the sum of ten million dollars (\$10,000,000) in nonrecurring funds for the 2024-2025 fiscal year shall be used ~~to support local governments or a partnership of local governments in conducting due diligence as described in subdivision~~ for the purposes described in subdivisions (b)(2), (b)(3), (b)(4), and (b)(5) of this section.

"SECTION 11.12.(b) Purpose. – It is in the best economic and developmental interests of the State to support the development of selectsites to ensure the State's ongoing competitiveness for major manufacturing opportunities, including, but not limited to, the aerospace, automotive, clean energy, food processing, semiconductor, and life science industries. The purpose of this section is to establish a competitive grant program serving to do the following:

(1) Identify and evaluate up to ~~45~~ 20 selectsites of less than 1,000 acres for preferred development and marketing.

- (2) Assist local governments or a partnership of local governments in the acquisition of a newly identified or existing selectsite.
- (3) Support local governments or a partnership of local governments to analyze, plan, install, or upgrade ~~public~~ infrastructure, including ~~publicly owned~~ water, gas, and sewer systems; transportation infrastructure; and ~~the electrical utility lines~~ electric infrastructure necessary to meet the needs of prospective employers for selectsites.
- (4) Support local governments or a partnership of local governments to fund on-site preparation, including clearing, grading, or other related expenses for selectsites.
- (5) Support local governments or a partnership of local governments in conducting due diligence, including, but not limited to, the following: site characteristics, preliminary engineering reports for water and wastewater provision to the site, assessments related to road and highway infrastructure to serve the site, and other assessments as needed.
- (6) Facilitate coordination between the economic development entities and the North Carolina Department of Environmental Quality and the North Carolina Department of Transportation to expedite needs related to timely site development.

...

"SECTION 11.12.(e) Allocation. – EDPNC shall allocate monies in the Fund on the following basis:

- (1) Unspent funds transferred pursuant to subsection (a) of this section shall be used for engaging a national site selection firm through a competitive bid process to produce a report identifying and evaluating 15 selectsites for preferred development and marketing, of which seven must be less than 500 acres and of which an additional two must be less than 100 acres. Further unspent funds transferred pursuant to subsection (a) of this section shall be used for engaging a national site selection firm through a competitive bid process to produce a supplemental report identifying and evaluating up to five, and no less than three, additional selectsites from the initial disaster declared counties resulting from Tropical Storm Helene.
- (2) Funds appropriated to the Fund for local government grants shall be allocated for the purposes outlined in subdivisions (b)(2), (b)(3), (b)(4), and (b)(5) of this section for selectsites determined pursuant to subdivision (1) of this subsection. EDPNC shall prioritize local government grants that have the greatest potential to reduce the time for site readiness and reduce the risk of unforeseen conditions that could affect the site viability for advanced manufacturing projects. EDPNC shall base the grant amount on total development needs for the selectsite, prior investment in the selectsite by one or more local governments, the ability of one or more local governments to invest in the selectsite, and the ability and level of participation promised by the local government in exchange for a grant from the Fund. Monies may only be granted for, and used to acquire, a selectsite for which (i) one or more local governments have a binding option or offer to purchase and (ii) all basic due diligence has been completed, including, but not limited to, boundary surveys, title searches, State Historic Preservation Office reviews, and wetlands delineation.

...

"SECTION 11.12.(g) Agreements Required. – Monies ~~may~~ shall be disbursed from the Fund to EDPNC on a quarterly basis in four equal installments per year. EDPNC may use funds only

1 in accordance with agreements entered into between EDPNC and a local government or a
2 government partnership. The agreement must include all of the performance criteria, remedies,
3 and other safeguards required to secure the assistance provided to ready the selectsite for a major
4 employer and must require EDPNC to recapture a proportionate amount of assistance provided
5 under this section for failure by a local government or government partnership to meet and
6 maintain the selectsite for availability for the purposes for which the assistance was provided.

7"

8 **SECTION 5.** This act is effective when it becomes law.