



HOUSE BILL 552: Ag Manufacturing Economic Development.

2025-2026 General Assembly

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| Committee: | House Rules, Calendar, and Operations of the House | Date: | May 6, 2025 |
| Introduced by: | Reps. Reives, Dixon, Penny, Jeffers | Prepared by: | Greg Roney |
| Analysis of: | First Edition | | Staff Attorney |

OVERVIEW: *House Bill 552 would create a new Agricultural Manufacturing Investment Grant Account within the One North Carolina Fund to provide competitive grants to agricultural manufacturers. Grants would be limited to a maximum of \$100,000 per year or \$500,000 total and grant recipients would be required to meet certain performance criteria.*

[As introduced, this bill was identical to S530, as introduced by Sen. Burgin, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: The One North Carolina Fund is a special revenue fund in the Department of Commerce (Department) that allocates funds to local governments to assist in securing commitments for the recruitment, expansion, or retention of new and existing businesses. Within the One North Carolina Fund, there currently exists the One North Carolina Small Business Account, a program for the purpose of offsetting costs associated with applying for the federal Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) programs and matching awards from those programs.

BILL ANALYSIS: House Bill 552 would create a new program within the One North Carolina Fund known as the Agricultural Manufacturing Investment Grant Account (AMIG), which would be used to provide competitive grants to eligible agricultural manufacturers. Up to \$5,000,000 from the One North Carolina Fund could be allocated to the AMIG.

The Department would be directed to prioritize grants to recipients that will maximize regional and State net economic benefits. Additionally, the Department would be directed to prioritize projects that satisfy at least one of the following criteria:

- The project is sited entirely within a development tier one or two area.
- The project significantly incorporates practices of precision agriculture, artificial-intelligence-driven automation, biotechnology, or a combination thereof.
- Research and development compensation is at least ten percent (10%) of the recipient's annual payroll expenses.

Grants from the AMIG would be subject to all of the following criteria:

- A grant to a recipient may not exceed \$100,000 in a single year or \$500,000 total.
- The grant term may not exceed five years.

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- The Department must certify that the recipient has invested or intends to invest at least \$5,000,000 of private funds in improvements to real property and additions to tangible personal property within two years of the time the grant is awarded.
- At the time of the award, the recipient must employ, and agree to maintain for the entire grant term, at least 25 full-time employees or equivalent full-time contract employees at the project for which the grant is awarded.
- The recipient's average weekly wage must be at least 110% of the average wage for all insured private employers in the county.
- The recipient must enter into an agreement with the Department providing that the recipient will (i) meet performance criteria to protect the State's investment, such as employment level requirements, compensation requirements, investment amount and timeline requirements; and (ii) repay or reimburse an appropriate portion of the grant based on the extent of any failure to meet the performance criteria.

EFFECTIVE DATE: This act would become effective July 1, 2025.

Chris Saunders, with the Legislative Analysis Division, substantially contributed to this summary.