



HOUSE BILL 438: Modify Utility Account

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2015-2016 General Assembly

Committee:	House Commerce and Job Development	Date:	April 22, 2015
Introduced by:	Reps. S. Martin, Conrad, Presnell, L. Johnson	Prepared by:	Greg Roney
Analysis of:	First Edition		Committee Counsel

SUMMARY: House Bill 438, as amended, would authorize a maximum \$500,000 per year of grants from the Industrial Development Fund Utility Account (Utility Account) for applied technology equipment and renovations of property for high school programs developed in collaboration with industries and offering associate degrees in a field relevant to the industry:

CURRENT LAW: G.S. 143B-437.01 establishes the Industrial Development Fund Utility Account (Utility Account). The Utility Account makes grants to local governments in tier 1 or 2 counties to create jobs. Primarily, the Fund is used for construction of or improvements to new or existing water, sewer, gas, telecommunications, high-speed broadband, electrical utility distribution lines or equipment, or transportation infrastructure for existing or new or proposed buildings.

G.S. 143B-437.56(d) funds the Utility Account by withholding a percentage of every grant under the Job Development Investment Grant Program (JDIG) when the county where the project is located is tier 2 or 3 as follows:

- For tier 3 area, 25% of the JDIG grant is payable to the Utility Account.
- For tier 2 area, 15% of the JDIG grant is payable to the Utility Account.

BILL ANALYSIS: House Bill 438, as amended, would expand the use of the Utility Account to include grants to local governments in tier 1 or 2 counties for work-based experience programs. Work-based experience programs are high school educational programs where students take classes developed in collaboration with certain industries, using equipment provided by the industry, and offering associate degrees in a field relevant to the industry upon graduation from high school.

A maximum of \$500,000 per year may be used for applied technology equipment and renovations of school property for work-based experience programs.

EFFECTIVE DATE: House Bill 438 would be effective when it becomes law.

O. Walker Reagan
Director



Research Division
(919) 733-2578

* H 4 3 8 - S M T M - 2 4 E 1 - V 3 *