



2017-2018 General Assembly

SENATE BILL 99: Appropriations Act of 2018, Sec. 15.2: Eliminate Adjustment Factors to Development Tier Areas

Committee:		Date:	August 15, 2018
Introduced by:		Prepared by:	Greg Roney Staff Attorney
Analysis of:	Sec. 15.2 of S.L. 2018-5		

OVERVIEW: *Sec. 15.2 of S.L. 2018-5, eliminates the adjustment factors that the Department of Commerce applied to change county's tier designation for various programs including the Job Development Investment Grant Program (JDIG). The new methodology for ranking counties applies to economic development awards occurring on or after January 1, 2019.*

CURRENT LAW: Under G.S. 143B-437.08, the Department of Commerce annually ranks the State's 100 counties for economic distress based on 4 development factors: unemployment, median household income, growth in population, and assessed property value. Once ranked, counties are grouped into 4 development tiers: 40 lowest ranked counties are tier 1 (most distressed), the next 40 counties are tier 2, and the highest 20 counties are tier 3 (least distressed). Statutory adjustment factors modify the tier ranking of a county based on the population and poverty rate.

BILL ANALYSIS: Sec. 15.2 of S.L. 2018-5, eliminates the adjustment factors that the Department of Commerce applied to change county's tier designation for various programs including the Job Development Investment Grant Program (JDIG).

The section also creates the county economic growth assessments and assistance program starting in 2018. Under the program, the Department of Commerce must annually compare the latest determined statewide values to each county's development factors, report to each county any areas of performance below that of the statewide value, and offer assistance to each county to improve performance on the economic indicator. The Department of Commerce must report the results of the program to the Joint Legislative Economic Development and Global Engagement Oversight Committee.

EFFECTIVE DATE: The new methodology for ranking counties applies to economic development awards occurring on or after January 1, 2019. The county economic growth assessments and assistance program is effective immediately.

BACKGROUND: The NC General Assembly's Program Evaluation Division (PED) issued Report No. 2015-11 titled, "North Carolina Should Discontinue the Economic Development Tiers System and Reexamine Strategies to Assist Communities with Chronic Economic Distress" in December, 2015. The Report reviews the various programs affected by the tier designations.

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