



HOUSE BILL 258: Expand Eligibility for Utility Account.

2019-2020 General Assembly

Committee:	House Commerce. If favorable, re-refer to Energy and Public Utilities. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	March 13, 2019
Introduced by:	Reps. Boles, McNeill	Prepared by:	Greg Roney Staff Attorney
Analysis of:	First Edition		

OVERVIEW: *House Bill 258 would expand the counties eligible for grants from the Utility Account from the 80 most-distressed counties under the tier system to the 87 most-distressed counties.*

[As introduced, this bill was identical to S158, as introduced by Sen. McInnis, which is currently in Senate Rules and Operations of the Senate.]

CURRENT LAW: G.S. 143B-437.08 ranks counties into 3 tiers based on 4 factors: (1) average unemployment rate for the most recent 12 months for which data are available; (2) median household income for the most recent 12 months for which data are available; (3) percentage growth in population for the most recent 36 months for which data are available; and (4) adjusted property tax base per capita for the most recent taxable year.

Counties are assigned to a tier where the 40 most-distressed counties are designated Tier One; the next 40 counties are Tier Two; and the 20 least-distressed counties are Tier Three.

G.S. 143B-437.01 creates the Industrial Development Fund Utility Account (Utility Account) to provide funds to assist the local government units of the 80 most economically distressed counties (i.e., development tier one or two area under G.S. 143B-437.08) in creating jobs. The funds must be 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. The funds may not be used for any retail, entertainment, or sports projects. The program is governed by additional statutory rules and also by regulations adopted by the Department of Commerce.

In addition to the projects located in the 80 most economically distressed counties, the Secretary of Commerce may use up to \$100,000 to provide emergency economic development assistance in any county that experiences a major economic dislocation (defined as the actual or imminent loss of 500 manufacturing jobs or 10% of the existing manufacturing workforce in the county).

G.S. 143B-437.56 diverts a percentage of a Job Development Investment Grant Program (JDIG) award to the Utility Account as follows: 25% of the award in tier three area, 10% of the award in a tier two area. Special rules apply to certain JDIG awards.

BILL ANALYSIS: House Bill 258 would expand the counties eligible for grants from the Utility Account from the 80 most-distressed counties (i.e., 40 tier-one counties plus 40 tier-two counties) to the 87 most-distressed counties under the tier system.

EFFECTIVE DATE: House Bill 258 would be effective when it becomes law.

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