



# HOUSE BILL 807: Championship NC Act.

2019-2020 General Assembly

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<b>Committee:</b>	Senate Commerce and Insurance	<b>Date:</b>	August 31, 2020
<b>Introduced by:</b>	Reps. Boles, Dobson, Iler, Richardson	<b>Prepared by:</b>	Dan Ettefagh
<b>Analysis of:</b>	PCS to First Edition H807-CSMC-34		Committee Counsel

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**OVERVIEW:** *The PCS for House Bill 807 would (i) modify the Site Infrastructure Development Fund (SIDF) to permit businesses meeting eligibility criteria as a sports championship employer to be eligible for a site development award for a project and (ii) reallocate \$3.6M from funds available in the One NC Fund (\$3.5M) and the JDIG Special Revenue fund (\$100k).*

**CURRENT LAW:** Under current law, the SIDF may provide a restricted grant or forgivable loan for a project to offset costs of acquiring land, improving land, or both. The award may go directly to the business or to one or more State agencies, nonprofits, or local government units for land acquisition or improvement to lease back to the business. Eligibility for an award requires the business to invest at least \$100M of private funds in the project and employ at least 100 new employees. Eligibility requires compliance with safety and health programs, environmental requirements, and tax laws, and the agreement must set forth the required performance and remedies and safeguards, including clawbacks, to secure the State's investment. The Department of Commerce ("Department") must monitor compliance with performance criteria and annually report on the expenditure of funds.

**BILL ANALYSIS:** The PCS would maintain the existing eligibility requirement set for manufacturers and would create a new set of eligibility criteria for sports championship employers. A sports championship employer would be eligible for a site infrastructure award if the following requirements are met:

1. The business invests at least \$5M of private funds in the project for at least two buildings of at least 30,000 square feet for an equipment and testing center, a museum and visitor center, and departments and associated support staff of the employer.
2. The project has an estimated total economic benefit of \$800M over the term of the agreement.
3. The project creates at least 35 new jobs and maintains a total of at least 50 jobs over a continuous period of at least 10 years.
4. The business holds championship events at a location in this State with an aggregate economic benefit of at least \$500M. Of those championship events, there must be at least one men's major professional championship event every 5-7 years, each having an economic benefit of \$90M, at least one women's major professional championship event every 10 years, and at least 13 other championship events.
5. The business provides a hospitality pavilion to the Department or to the EDPNC capable of accommodating at least 40 people at no cost (not including staffing and catering).

The PCS would require all new SIDF agreements to encourage a recipient to partner with and use the University and Community College system for research needs pertaining to the business. Finally, the PCS

Kory Goldsmith  
Director



Legislative Drafting  
919-733-6660

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would limit the Department's ability to make SIDF awards by limiting the programmatic contracts to 2 total contracts with combined cost of \$42M and a total annual cost of \$3.6M. Availability under the program, as modified by the PCS, would allow for one additional agreement with a total liability of \$18M.

**EFFECTIVE DATE:** The bill would be effective when it becomes law.

**BACKGROUND:** The SIDF was created in 2003. To date, one award has been made from the fund to Merck Pharmaceuticals in the amount of \$24M. That award has been fully paid out.