2025-2026 General Assembly

# SENATE BILL 664: JMAC Flexibility/ABC Laws/Megasite/Selectsite Changes.

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| **Committee:** | Senate Rules and Operations of the Senate | **Date:** | April 8, 2025 |
| **Introduced by:** | Sens. B. Newton, McInnis | **Prepared by:** | Bill Patterson* |
| **Analysis of:** | Second Edition | | Staff Attorney |

***OVERVIEW: Senate Bill 664 would:***

- ***Provide that a JMAC grant to a business that has qualified as a major employer will not be reduced for failing to maintain its required employment level unless it falls short by more than 100 employees, at which point the grant would be reduced by one percent for every one employee more than 100 by which it falls short of the required employment level.***
- ***Modify ABC laws to provide fortified wineries, unfortified wineries, and distilleries the same opportunity as breweries now have to enter into alternating proprietorship arrangements.***
- ***Require up to five, and at least three, additional selectsites to be identified and evaluated from the initial disaster declared counties resulting from Tropical Storm Helene.***
- ***Provide more flexibility in use of megasite and selectsite funds for infrastructure improvements and require these funds to be disbursed to EDPNC each year in four equal installments per year.***

## CURRENT LAW AND BILL ANALYSIS:

### Section 1: Revisions to JMAC Requirements

The Job Maintenance and Capital Development Program (JMAC) is a discretionary incentive program that awards annual grants to businesses that meet program requirements.[1]

Under current law, a business that receives a grant as a "major employer"[2] must maintain the level of employment it had when it applied for the grant or when it first began its qualifying capital investment expenditure, whichever is less. If it fails to maintain the required employment level, its grant is reduced in proportion to its shortall, but if its employment level falls below 80% of what is required, it is ineligible for a grant in that year.

**Section 1** of the bill would provide that when a JMAC grant recipient that has qualified as a major employer fails to meet its required employment level by more than 100 employees, its JMAC grant will be reduced by one percent for every one employee more than 100 by which it falls short of the required employment level.

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[1] The purpose of a JMAC grant is to encourage retention of significant numbers of high-paying, high-quality jobs and large-scale capital investment, enlarge the overall tax base, and increase revenues to the State and its political subdivisions. G.S. 143B-437.012(a).

[2] The term "major employer" is defined as a business that (1) has invested or intends to invest at least $200 million in capital improvements within 6 years of the initial expenditure, (2) employs at least 2,000 permanent full-time workers, and (3) is located in a development tier one area at the time it applies for a grant. G.S. 143B-437.012(d)(1).

## Section 2: Revisions to ABC Laws

Under current law, a brewery is not deemed to have changed ownership when it enters into an "alternating proprietorship"[3] arrangement with another brewery and so it does not thereby lose its ABC permits. If permitted by federal law, the "host" brewery facility may also hold, at the same facility, unfortified winery, fortified winery, and distillery permits.

Section 2 of the bill would permit holders of permits for unfortified wineries, fortified wineries, and distilleries the same opportunity as a brewery holder permit to enter into alternating proprietorship arrangements and to hold, at the same facility, other permits as permitted by federal law.

## Section 3: Megasite and Selectsite Modifications

The North Carolina Megasite Fund (Fund) is administered by the Economic Development Partnership of North Carolina (EDPNC). The Fund is used for a competitive grant program to assist local governments in acquiring megasites (parcels of contiguous property comprising more than 1,000 acres) in up to seven locations determined by EDPNC to be preferred locations for manufacturing, including, but not limited to, the aerospace, automotive, clean energy, food processing, semiconductor, and life sciences industries.

The Selectsite Readiness Program (Program) is administered by the Department of Commerce in conjunction with EDPNC. The Program's purpose is to evaluate potential areas and establish a related grant program aimed at local governments and local government partnerships for the evaluation, acquisition, and development of selectsites (parcels of contiguous property consisting of less than 1,000 acres) in up to 15 locations identified by EDPNC as preferred locations for development and marketing for manufacturing opportunities, including, but not limited to, the aerospace, automotive, clean energy, food processing, semiconductor, and life sciences industries.

Section 3 of the bill would:

- Increase from 15 to 20 the number of selectsites that may be identified and evaluated.
- Direct that a national site selection firm to be engaged through a competitive bid process identify and evaluate up to five, and no less than three, additional selectsites from the initial disaster declared counties resulting from Tropical Storm Helene.
- Authorize megasite and selectsite funds to be used to upgrade water, gas, and sewer systems, whether or not publicly owned, and electric infrastructure, whether or not owned by a utility.
- Provide that monies shall be disbursed from the megasite and selectsite funds to EDPNC on a quarterly basis in four equal installments per year.

**EFFECTIVE DATE:** This act would be effective when it becomes law.

** LAD Staff Attorneys Chris Saunders and Howard Marsilio substantially contributed to this summary.*

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[3] An alternating proprietorship is an arrangement in which two or more people take turns using the physical premises of a brewery. Generally, the proprietor of an existing brewery, the "host brewery," agrees to rent space and equipment to a new "tenant brewer." The tenant qualifies as a brewer by filing the appropriate documents with federal Alcohol and Tobacco Tax and Trade Bureau. The tenant brewer produces beer, maintains its own brewery records, labels the beer with its own name and address, obtains the necessary Certificates of Label Approval, and pays tax at the appropriate rate upon removal of its beer from the brewery. The tenant brewer has title to the beer at all stages of the brewing process.