

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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HOUSE BILL 1015
Senate Finance Committee Substitute Adopted 6/5/12
Third Edition Engrossed 6/7/12

Short Title: Economic Devpt. & Finance Changes.

(Public)

Sponsors:

Referred to:

May 22, 2012

1 A BILL TO BE ENTITLED
2 AN ACT TO SET THE REGULATORY FEES AND TO ENHANCE ECONOMIC
3 DEVELOPMENT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.(a)** The percentage rate to be used in calculating the public utility
6 regulatory fee under G.S. 62-302(b)(2) is twelve-hundredths of one percent (0.12%) for each
7 public utility's North Carolina jurisdictional revenues earned during each quarter that begins on
8 or after July 1, 2012.

9 **SECTION 1.(b)** The electric membership corporation regulatory fee imposed
10 under G.S. 62-302(b1) for the 2012-2013 fiscal year is two hundred thousand dollars
11 (\$200,000).

12 **SECTION 1.(c)** The percentage rate to be used in calculating the insurance
13 regulatory charge under G.S. 58-6-25 is six percent (6%) for the 2012 calendar year.

14 **SECTION 1.(d)** Subsections (a) and (b) of this section become effective July 1,
15 2012. The remainder of this section is effective when it becomes law.

16 **SECTION 2.(a)** G.S. 143B-437.52 reads as rewritten:

17 "**§ 143B-437.52. Job Development Investment Grant Program.**

18 ...
19 (b) ~~Cap and Priority. —The maximum number of grants the Committee may award in~~
20 ~~each calendar year is 25.~~In selecting between applicants, a project that is located in an
21 Eco-Industrial Park certified under G.S. 143B-437.08 has priority over a comparable project
22 that is not located in a certified Eco-Industrial Park.

23"

24 **SECTION 2.(b)** This section becomes effective July 1, 2012.

25 **SECTION 3.** G.S. 143B-437.01(a) reads as rewritten:

26 "(a) **Creation and Purpose of Fund.** – There is created in the Department of Commerce
27 the Industrial Development Fund to provide funds to assist the local government units of the
28 most economically distressed counties in the State in creating and retaining jobs in certain
29 industries. The Department of Commerce shall adopt rules providing for the administration of
30 the program. Those rules shall include the following provisions, which shall apply to each grant
31 from the fund:

32 (1) The funds shall be used for (i) installation of or purchases of equipment for
33 eligible industries, (ii) structural repairs, improvements, or renovations of
34 existing buildings to be used for expansion of eligible industries, or (iii)
35 construction of or improvements to new or existing water, sewer, gas,



1 telecommunications, high-speed broadband, electrical utility distribution
2 lines or equipment, or transportation infrastructure for existing or new or
3 proposed industrial buildings to be used for eligible industries. To be eligible
4 for funding, the water, sewer, gas, telecommunications, high-speed
5 broadband, electrical utility lines or facilities, or transportation infrastructure
6 shall be located on the site of the building or, if not located on the site, shall
7 be directly related to the operation of the specific eligible industrial activity.
8 To be eligible for funding, the sewer infrastructure shall be located on the
9 site of the building or, if not located on the site, shall be directly related to
10 the operation of the specific eligible industrial activity, even if the sewer
11 infrastructure is located in a county other than the county in which the
12 building is located.

13"

14 **SECTION 4.(a)** G.S. 105-129.84(c) reads as rewritten:

15 "(c) Carryforward. – Unless a longer carryforward period applies, any unused portion of
16 a credit allowed under G.S. 105-129.87 or G.S. 105-129.88 may be carried forward for the
17 succeeding five years, and any unused portion of a credit allowed under G.S. 105-129.89 may
18 be carried forward for the succeeding 15 years. If the Secretary of Commerce makes a written
19 determination that the taxpayer is expected to purchase or lease, and place in service in
20 connection with an eligible business within a two-year period, at least ~~one hundred fifty million~~
21 ~~dollars (\$150,000,000) worth of the minimum investment amount of~~ business and real property,
22 any unused portion of a credit under this Article with respect to the establishment that satisfies
23 that condition may be carried forward for the succeeding 20 years. If the taxpayer does not
24 make the required level of investment, the taxpayer shall apply the five-year carryforward
25 period rather than the 20-year carryforward period. For purposes of this subsection, the
26 "minimum investment amount" is the following amount:

- 27 (1) For an eligible business investing the minimum investment amount in an
28 establishment located, at the time the initial investment is made, in a
29 development tier one area, one hundred million dollars (\$100,000,000).
30 (2) For any other eligible business, one hundred fifty million dollars
31 (\$150,000,000)."

32 **SECTION 4.(b)** This section is effective for taxable years beginning on or after
33 January 1, 2012.

34 **SECTION 5.(a)** G.S. 143B-437.013(a) reads as rewritten:

35 "(a) Port Enhancement Zone Defined. – A port enhancement zone is an area that meets
36 all of the following conditions:

- 37 (1) It is comprised of part or all of one or more contiguous census tracts, census
38 block groups, or both, in the most recent federal decennial census.
39 (2) All of the area is located within 25 miles of a State port and is capable of
40 being used to enhance port operations.
41 (3) Every census tract and census block group that comprises the area has at
42 least eleven percent (11%) of households with incomes of fifteen thousand
43 dollars (\$15,000) or less."

44 **SECTION 5.(b)** This section is effective for taxable years beginning on or after
45 January 1, 2013.

46 **SECTION 6.** For purchases made on or after July 1, 2012, but before July 1, 2013,
47 a company located at a ports facility for waterborne commerce that purchases specialized
48 equipment to be used at the facility to unload or process bulk cargo to make it suitable for
49 delivery to and use by manufacturing facilities is allowed a refund of all local sales and use
50 taxes paid and a portion of State sales and use taxes paid on the purchases as provided in this
51 section. The portion of the State sales and use taxes that may be refunded is equal to the excess

1 of the State sales and use taxes paid over the amount that would have been due had the taxpayer
2 been subject to tax on the eligible property as if it were mill machinery under Article 5F of
3 Chapter 105 of the General Statutes. A request for a refund under this section must be in
4 writing and must include any information and documentation required by the Secretary. A
5 request for a refund under this section must be made on or after July 1, 2013, and is due before
6 January 1, 2014. Refunds applied for after the due date are barred. Taxes for which a refund is
7 allowed under this section are not an overpayment of tax and do not accrue interest as provided
8 in G.S. 105-241.21.

9 **SECTION 7.** Except as otherwise provided, this act is effective when it becomes
10 law.