

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
Fourth Edition Engrossed 6/11/12

Short Title: Economic Devpt. & Finance Changes.

(Public)

Sponsors:

Referred to:

May 22, 2012

A BILL TO BE ENTITLED

AN ACT TO SET THE REGULATORY FEES AND TO ENHANCE ECONOMIC DEVELOPMENT.

The General Assembly of North Carolina enacts:

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

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

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

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

SECTION 2.(a) G.S. 143B-437.52 reads as rewritten:
"§ 143B-437.52. Job Development Investment Grant Program.

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

...."

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

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

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

(1) The funds shall be used for (i) installation of or purchases of equipment for eligible industries, (ii) structural repairs, improvements, or renovations of existing buildings to be used for expansion of eligible industries, or (iii)



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

14"

15 **SECTION 4.** Notwithstanding the investment requirement of G.S. 105-129.84(c),
16 if the Secretary of Commerce makes a written determination that the taxpayer is expected to
17 purchase or lease, and place in service in connection with an eligible business within a two-year
18 period, at least one hundred million dollars (\$100,000,000) worth of business and real property
19 in a development tier one area, any unused portion of a credit under Article 3J of Chapter 105
20 of the General Statutes with respect to the establishment that satisfies that condition may be
21 carried forward for the succeeding 20 years. If the taxpayer does not make the required level of
22 investment, the taxpayer shall apply the five-year carryforward period rather than the 20-year
23 carryforward period. This section is effective for taxable years beginning on or after January 1,
24 2012, and expires for taxable years beginning on or after January 1, 2013.

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

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

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

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

37 **SECTION 6.** For purchases made on or after July 1, 2012, but before July 1, 2013,
38 a company located at a ports facility for waterborne commerce that purchases specialized
39 equipment to be used at the facility to unload or process bulk cargo to make it suitable for
40 delivery to and use by manufacturing facilities is allowed a refund of all local sales and use
41 taxes paid and a portion of State sales and use taxes paid on the purchases as provided in this
42 section. The portion of the State sales and use taxes that may be refunded is equal to the excess
43 of the State sales and use taxes paid over the amount that would have been due had the taxpayer
44 been subject to tax on the eligible property as if it were mill machinery under Article 5F of
45 Chapter 105 of the General Statutes. A request for a refund under this section must be in
46 writing and must include any information and documentation required by the Secretary. A
47 request for a refund under this section must be made on or after July 1, 2013, and is due before
48 January 1, 2014. Refunds applied for after the due date are barred. Taxes for which a refund is
49 allowed under this section are not an overpayment of tax and do not accrue interest as provided
50 in G.S. 105-241.21.

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