

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

H.B. 1153  
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10617-NBa-171

Short Title: Critical Technologies Manufacturing Fund. (Public)

Sponsors: Representative Roberson.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH THE CRITICAL TECHNOLOGIES MANUFACTURING FUND.  
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Article 10 of Chapter 143B of the General Statutes is amended by  
5 adding a new Part to read:

6 "Part 2L. Critical Technologies Manufacturing Fund.

7 **"§ 143B-437.110. Critical Technologies Manufacturing Fund.**

8 (a) Fund; Purpose. – There is established the Critical Technologies Manufacturing Fund  
9 as a special revenue fund in the Department of Commerce to provide funds to support the  
10 manufacture of critical technology by eligible businesses to enhance the economic  
11 competitiveness of this State and to promote the national security and energy independence from  
12 foreign energy sources. The funds in the Fund do not revert but remain available to the  
13 Department for these purposes. The Department shall adopt rules in accordance with this Part  
14 providing for the administration of the Fund. The Department may use up to five percent (5%)  
15 of the funds for administrative costs in operating the Fund.

16 (b) Use of Funds; Eligibility. – Funds shall be used to provide grants to eligible  
17 businesses that manufacture critical technologies or components and materials essential to critical  
18 technologies. The Department shall prioritize grants for applicants in accordance with subsection  
19 (e) of this section. Each grant shall have a maximum of two hundred thousand dollars (\$200,000).  
20 The Department may allocate up to ten percent (10%) of the balance of the Fund each fiscal year  
21 for businesses located in this State for any other purpose the Department determines to be in  
22 alignment with the purpose of the Fund.

23 (c) Definitions. – The following definitions apply in this Part:

24 (1) Business. – A corporation, sole proprietorship, cooperative association,  
25 partnership, S corporation, limited liability company, nonprofit corporation,  
26 or other form of business organization, located either within or outside this  
27 State.

28 (2) Critical technology. – Any of the following:

- 29 a. A clean energy or clean transportation technology, including the  
30 manufacturing of semiconductors.  
31 b. Cybersecurity technology.  
32 c. Technology essential to supporting, maintaining, or constructing the  
33 domestic electrical grid, or for proper handling or management of  
34 recycling or reusing decommissioned renewable energy equipment.  
35 d. Drinking water infrastructure.



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- 1                   e.     Any materials or components directly used in the technologies listed  
2                         in this subdivision.
- 3                   (3)    Department. – The Department of Commerce.  
4                   (4)    Eligible business. – A business primarily engaged in the manufacturing sector,  
5                         as defined by NAICS, sectors 31 through 33, that manufactures or agrees to  
6                         manufacture critical technology in this State.  
7                   (5)    Fund. – Critical Technologies Manufacturing Fund.  
8                   (6)    NAICS. – North American Industry Classification System.  
9                   (d)    Grant Conditions. – Grants are made pursuant to an agreement with an eligible  
10                   business that includes, at a minimum, all of the following:  
11                   (1)    A provision requiring an eligible business to certify in writing that it will use  
12                         the grant provided from the Fund for the manufacturing of critical technology  
13                         or, if for another purpose as determined by the Department, the agreed purpose  
14                         reflected in the grant application.  
15                   (2)    A provision establishing the number and duration of jobs the eligible business  
16                         must create and maintain.  
17                   (3)    A provision establishing the method for determining compliance with the  
18                         grant conditions.  
19                   (4)    A provision requiring recapture of the grant funds if the eligible business fails  
20                         to comply with the requirements of the grant.  
21                   (e)    Prioritization. – The factors for priority in this subsection apply to applications for  
22                   grants from the Fund. The Department must prioritize the following factors when evaluating  
23                   applications:  
24                   (1)    If the grant applicant is not currently manufacturing critical technologies but  
25                         would manufacture critical technologies using the grant received.  
26                   (2)    The grant applicant would use the funds as a required cost-share for federal  
27                         manufacturing grants.  
28                   (f)    Failure to Comply with Grant Requirements. – If an eligible business receiving a grant  
29                   fails to meet or comply with any condition or requirement set forth in an agreement or with  
30                   criteria developed by the Department, the Department may reduce the amount of the grant or  
31                   may terminate the agreement, or both. The reduction in the amount of the grant must, at a  
32                   minimum, be proportional to the failure to comply measured relative to the condition or criterion  
33                   with respect to which the failure occurred. The Department shall notify an affected business of  
34                   the reduction to its grant payment.  
35                   (g)    Report. – No later than March 1 of each year in which grants are disbursed or there is  
36                   a cash balance remaining in the Fund, the Department shall submit a report to the Joint  
37                   Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal  
38                   Research Division. Each report shall contain, at a minimum, all of the following:  
39                   (1)    The number of grants awarded.  
40                   (2)    The average grant amount.  
41                   (3)    The total amount granted to date.  
42                   (4)    The businesses that have received a grant and a summary and description of  
43                         each grant.  
44                   (5)    The total amount of grants that have been recaptured."
- 45                   **SECTION 2.** There is appropriated from the General Fund to the Department of  
46 Commerce the sum of four million dollars (\$4,000,000) in nonrecurring funds for the 2022-2023  
47 fiscal year for the Critical Technologies Manufacturing Fund.
- 48                   **SECTION 3.** This act becomes effective July 1, 2022.