

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1538

Short Title: Economic Dev. Funds.

(Public)

Sponsors: Representatives Hardaway, Blue, Barnhill, Cunningham, Fitch, Gist, Green, H. Hunter, Jeralds, McAllister, Kennedy, Michaux, Oldham, Wainwright; Bowman and Sam Hunt.

Referred to: Appropriations.

June 3, 1992

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS FOR ECONOMIC DEVELOPMENT
2 PROJECTS AND ACTIVITIES WITHIN THE STATE'S MINORITY
3 COMMUNITY.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. (a) There is appropriated from the General Fund to the North
7 Carolina Rural Economic Development Center, Inc., the sum of one million four
8 hundred thousand dollars (\$1,400,000) for the 1992-93 fiscal year for allocation to local
9 community development corporations. These funds shall be used to support community
10 economic development projects and activities within the State's minority community.

11 Of the funds appropriated in this section, one million one hundred fifty
12 thousand dollars (\$1,150,000) shall be used for direct grants to the local community
13 development corporations that have previously received State funds for this purpose to
14 support operations and project activities, one hundred thousand dollars (\$100,000) shall
15 be available for direct grants to local community development corporations that have
16 not previously received State funds for this purpose, and one hundred fifty thousand
17 dollars (\$150,000) shall be a direct grant to the North Carolina Association of
18 Community Development Corporations, seventy-five thousand dollars (\$75,000) of
19 which shall be used to support operations and project activities, and seventy-five
20 thousand dollars (\$75,000) of which shall be used to fund the North Carolina
21 Association of Community Development Corporations' loan fund. If funds allocated
22 under this subsection for direct grants to community development corporations that

1 have previously received State Funds have not been committed for direct grants by the
2 North Carolina Rural Economic Development Center by March 31, 1993, then such
3 uncommitted funds shall be used for direct grants to community development
4 corporations that have not previously received State funds. The North Carolina Rural
5 Economic Development Center, Inc. and the North Carolina Association of Community
6 Development Corporations shall establish, and the North Carolina Rural Economic
7 Development Center, Inc. shall implement, performance-based criteria for determining
8 which community development corporations will receive a grant and the grant amounts.

9 (b) The North Carolina Rural Economic Development Center, Inc., shall
10 report quarterly to the Joint Legislative Commission on Governmental Operations on
11 the use of the funds allocated in this subsection.

12 (c) For purposes of this section, the term "community development
13 corporation" means a nonprofit corporation, chartered pursuant to Chapter 55A of the
14 General Statutes and tax-exempt pursuant to section 501(c)(3) of the Internal Revenue
15 Code, whose primary mission is to develop and improve low-income communities and
16 neighborhoods through economic and related development, whose activities and
17 decisions are initiated, managed, and controlled by the constituents of those local
18 communities, and whose primary function is to act as deal maker and packager of
19 projects and activities that will increase their constituencies' opportunities to become
20 owners, managers, and producers of small businesses, affordable housing, and jobs
21 designed to produce positive cash flow and curb blight in the target community.

22 Sec. 2. There is appropriated from the General Fund to the Office of State
23 Budget and Management, the sum of three hundred thousand dollars (\$300,000) for the
24 1992-93 fiscal year for allocation to the Land Loss Prevention Project, Inc., to provide
25 free legal representation to low-income financially distressed small farmers. The Land
26 Loss Prevention Project, Inc., shall not use these funds to represent farmers who have
27 income and assets that would make them financially ineligible for legal services
28 pursuant to Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss
29 Prevention Project, Inc., shall report quarterly to the Joint Legislative Commission on
30 Governmental Operations on the use of these funds.

31 Sec. 3. There is appropriated from the General Fund to the Office of State
32 Budget and Management, the sum of two hundred fifty thousand dollars (\$250,000) for
33 the 1992-93 fiscal year for allocation to the North Carolina Coalition of Farm and Rural
34 Families, Inc., for its Small Farm Economic Development Project. These funds shall be
35 used to foster economic development within the State's rural farm communities by
36 offering financial, marketing, and technical assistance to small and limited resource
37 farmers. The North Carolina Coalition of Farm and Rural Families, Inc., shall report
38 quarterly to the Joint Legislative Commission on Governmental Operations on the use
39 of these funds.

40 Sec. 4. There is appropriated from the General Fund to the Office of State
41 Budget and Management, the sum of three hundred fifty thousand dollars (\$350,000) for
42 the 1992-93 fiscal year for allocation to the North Carolina Institute for Minority
43 Economic Development, Inc., to foster minority economic development within the State
44 through policy analysis, information and technical assistance, and resource expansion.

1 The North Carolina Institute for Minority Economic Development, Inc., shall research
2 and identify key issues affecting the economic well-being of the State's ethnic minority
3 community and issue annual reports with appropriate recommendations; provide
4 information and technical assistance to organizations with minority economic
5 development-based projects in common areas of need and interests; develop a resource
6 bank of data and information, facilitate training in appropriate areas of need, and
7 provide technical assistance to minority construction contractors. The North Carolina
8 Institute for Minority Economic Development, Inc., shall report quarterly to the Joint
9 Legislative Commission on Governmental Operations on the use of these funds.

10 Sec. 5. There is appropriated from the General Fund to the North Carolina
11 Rural Economic Development Center, Inc., the sum of one million dollars (\$1,000,000)
12 for the 1992-93 fiscal year for allocation to local minority-owned and operated credit
13 unions, and for allocation to the North Carolina Minority Credit Union Support Center,
14 Inc. These funds shall be used to foster minority economic development within the
15 State by increasing the lending capacity of minority-owned and operated credit unions.
16 Ninety percent (90%) of these funds shall be allocated to local minority-owned and
17 operated credit unions for capitalization of economic development and housing loans,
18 and ten percent (10%) of these funds shall be allocated to the North Carolina Minority
19 Credit Union Support Center, Inc., for operational and administrative support. The
20 North Carolina Rural Economic Development Center, Inc., shall report quarterly to the
21 Joint Legislative Commission on Governmental Operations on the use of these funds.

22 Sec. 6. There is appropriated from the General Fund to the North Carolina
23 Rural Economic Development Center, Inc., the sum of six hundred fifty thousand
24 dollars (\$650,000) for the 1992-93 fiscal year to be used to expand the Microenterprise
25 Loan Program. Of these funds, no less than four hundred thousand dollars (\$400,000)
26 shall be used as loan loss reserves and no more than two hundred fifty thousand dollars
27 (\$250,000) shall be used to cover operational costs. These funds are to be matched on
28 the basis of two dollars of non-State funds for every one dollar of State funds. The
29 North Carolina Rural Economic Development Center, Inc., shall report quarterly to the
30 Joint Legislative Commission on Governmental Operations on the use of these funds.

31 Sec. 7. There is appropriated from the General Fund to the North Carolina
32 Rural Economic Development Center, Inc., the sum of fifty thousand dollars (\$50,000)
33 for the 1992-93 fiscal year to be used for its expenses in administering this section.
34 The Office of State Budget and Management shall allot the funds pursuant to Sections 5
35 and 6 of this act in increments of not less than two hundred thousand dollars (\$200,000)
36 and not more than three hundred twenty-five thousand dollars (\$325,000) within 30
37 working days of the receipt of the Center's request for the funds. Requests shall include
38 a commitment of any required matching funds from non-State funds. The North
39 Carolina Rural Economic Development Center, Inc., shall distribute the funds pursuant
40 to Sections 5 and 6 of this act immediately upon allotment by the Office of State Budget
41 and Management.

42 Sec. 8. The North Carolina Rural Economic Development Center, Inc., shall
43 not distribute funds under Sections 1, 5, and 6 of this act unless and until the entities
44 eligible for funds under those sections have met the requirements of G.S. 143-6.1.

1 Sec. 9. This act becomes effective July 1, 1992.