

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 2017

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HOUSE BILL 68*

Committee Substitute Favorable 4/19/17

Short Title: BRIGHT Futures Act.

(Public)

Sponsors:

Referred to:

February 9, 2017

A BILL TO BE ENTITLED

AN ACT ENCOURAGING THE ESTABLISHMENT OF BRIGHT MARKETS BY ENABLING THE LEASE OF ADDITIONAL DIGITAL INFRASTRUCTURE NECESSARY FOR ECONOMIC DEVELOPMENT AND INNOVATION IN KEY MARKETS, INCLUDING BROADBAND, RETAIL ONLINE SERVICES, INTERNET OF THINGS, GRIDPOWER, HEALTH CARE, AND TRAINING AND EDUCATION.

Whereas, North Carolina's population of residents living in rural areas is the second largest of any state, with more than 3.3 million people living in the 85 counties considered rural; and

Whereas, these areas have historically been last to receive the necessary investment for the infrastructure required to support advances in economic development, including investment for basic roads, water, electricity, or telephone service, requiring public and private leaders to develop new and innovative approaches or business models to encourage or assist in the development of this infrastructure; and

Whereas, the rapid advances in gigabit connectivity and automation threaten the economic viability of these areas if steps are not taken to develop the digital infrastructure necessary to allow those in rural areas to take advantage of digitally integrated products and services; and

Whereas, the General Assembly has previously looked to local solutions, like member-owned utilities and public-private partnerships, as an effective way to provide for the development of the infrastructure necessary to support economic development in rural and underserved areas; and

Whereas, the General Assembly has long recognized that digital computing and communications technology is the key element of infrastructure for connecting each person to the economic development opportunities of the twenty-first century and has taken steps to directly advance the development and use of this infrastructure where possible through programs like the School Connectivity Initiative and Digital Learning Plan; Now, therefore, The General Assembly of North Carolina enacts:

SECTION 1. G.S. 160A-272 reads as rewritten:

"§ 160A-272. Lease or rental of property.

(a) Any property owned by a city may be leased or rented for such terms and upon such conditions as the council may determine, but not for longer than 10 years (except as otherwise provided in subsection (b1) of this section) and only if the council determines that the property will not be needed by the city for the term of the lease. In determining the term of a proposed lease, periods that may be added to the original term by options to renew or extend shall be included.



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1 (a1) Property may be rented or leased only pursuant to a resolution of the council
2 authorizing the execution of the lease or rental agreement adopted at a regular council meeting
3 upon 30 days' public notice. Notice shall be given by publication describing the property to be
4 leased or rented, stating the annual rental or lease payments, and announcing the council's
5 intent to authorize the lease or rental at its next regular meeting.

6 (b) No public notice as required by subsection (a1) of this section need be given for
7 resolutions authorizing leases or rentals for terms of one year or less, and the council may
8 delegate to the city manager or some other city administrative officer authority to lease or rent
9 city property for terms of one year or less.

10 (b1) Leases for terms of more than 10 years shall be treated as a sale of property and may
11 be executed by following any of the procedures authorized for sale of real property.

12 (c) Notwithstanding subsection (b1) of this section, the council may approve a lease
13 without treating that lease as a sale of property for any of the following reasons:

- 14 (1) For the siting and operation of a renewable energy facility, as that term is
15 defined in G.S. 62-133.8(a)(7), for a term up to 25 years.
- 16 (2) For the siting and operation of a tower, as that term is defined in
17 G.S. 146-29.2(a)(7), for communication purposes for a term up to 25 years.
- 18 (3) For the operation and use of components of a wired or wireless network, for
19 a term up to 25 years.

20 (d) Notwithstanding subsection (a) of this section, any lease by a city of any duration
21 for components of a wired or wireless network shall be entered into on a competitively neutral
22 and nondiscriminatory basis and made available to similarly situated providers on comparable
23 terms and conditions and shall not be used to subsidize the provision of competitive service."

24 SECTION 2.(a) G.S. 160A-272.1 reads as rewritten:

25 **"§ 160A-272.1. Lease of utility or enterprise property.**

26 Subject to this Article and G.S. 160A-321, a city-owned utility or public service enterprise,
27 or part thereof, may be leased."

28 SECTION 2.(b) G.S. 160A-321 reads as rewritten:

29 **"§ 160A-321. Sale, lease, or discontinuance of city-owned enterprise.**

30 (a) A city is authorized to sell or lease as lessor any public enterprise that it may own
31 upon any terms and conditions that the council may deem best. However, except as to transfers
32 to another governmental entity pursuant to G.S. 160A-274 or as provided in subsection (b) of
33 this section, a city-owned public enterprise shall not be sold, leased to another, or discontinued
34 unless the proposal to sell, lease, or discontinue is first submitted to a vote of the people and
35 approved by a majority of those who vote thereon. Voter approval shall not be required for the
36 sale, lease, or discontinuance of airports, off-street parking systems and facilities, or solid waste
37 collection and disposal systems.

38 (b) For the sale, lease, or discontinuance of water treatment systems, water distribution
39 systems, or wastewater collection and treatment systems, a city may, but is not required to,
40 submit to its voters the question of whether such sale, lease, or discontinuance shall be
41 undertaken. The referendum is to be conducted pursuant to the general and local laws
42 applicable to special elections in such city.

43 (c) Notwithstanding subsections (a) and (b) of this section, a city may lease a part of the
44 city-owned public enterprise to be operated and used as component of a wired or wireless
45 network without a vote of people. Any lease under this subsection shall be subject to Article 12
46 of this Chapter."

47 SECTION 3.(a) Article 23 of Chapter 153A of the General Statutes is amended by
48 adding a new section to read:

49 **"§ 153A-458. Authority to construct internal communications.**

1 A county shall have the authority to purchase, lease, construct, and operate facilities to
2 support intragovernmental services for the county's internal governmental purposes, including
3 wired or wireless network facilities."

4 **SECTION 3.(b)** G.S. 143-128.1C is amended by adding a new subsection to read:

5 "(n) For purposes of this section, the term "public-private project" shall also include a
6 capital improvement project undertaken for the benefit of a city or county pursuant to a
7 development contract that includes construction of components of a wired or wireless network
8 in conjunction with or part of another construction project undertaken by the city or county.
9 Nothing in this subsection authorizes a city or county to unilaterally provide high-speed
10 Internet broadband service, or infrastructure needed to support broadband, computing, and
11 communications components."

12 **SECTION 5.** G.S. 143B-472.80 is amended by adding a new subdivision to read:

13 **"§ 143B-472.80. North Carolina Board of Science, Technology, and Innovation; creation;**
14 **powers and duties.**

15 The North Carolina Board of Science, Technology, and Innovation of the Department of
16 Commerce is created. The Board has the following powers and duties:

17 ...

18 (5) On or before July 1, 2017, and annually on January 1 thereafter, the Board
19 shall report to the Governor, the chairs of the House of Representatives
20 Appropriations Committee on Agriculture and Natural and Economic
21 Resources, the chairs of the Senate Appropriations Committee on Natural
22 and Economic Resources, the Fiscal Research Division, the Secretary of
23 Commerce, and any North Carolina nonprofit corporation with which the
24 Department of Commerce contracts pursuant to G.S. 143B-431.01 on the
25 impact that technology and innovation in the BRIGHT Markets is having on
26 economic growth and development in this State, including recommendations
27 for increasing that impact. As used in this subdivision, the term "BRIGHT
28 Markets" means the following market segments: broadband, retail online
29 services, the Internet of things, the power grid, health care, and training and
30 education. The report shall include:

31 a. An evaluation of the impact of the North Carolina Providing Access
32 to Capital for Entrepreneurs and Small Businesses Act in S.L.
33 2016-103 on investment in BRIGHT Market enterprises for the
34 previous reporting year and recommendations for increasing that
35 impact.

36 b. Recommendations for the establishment and funding of a BRIGHT
37 Futures Innovation Fund, to be administered by the Office of
38 Science, Technology, and Innovation of the Department of
39 Commerce, that would be funded for at least five years to be used to
40 provide annual grants or loans to accelerate innovation by and
41 investment in enterprises in BRIGHT Market segments."

42 **SECTION 6.** G.S. 115D-5.1(f) reads as rewritten:

43 **"§ 115D-5.1. Workforce Development Programs.**

44 ...

45 (f) The State Board shall report on an annual basis to the Joint Legislative Education
46 Oversight Committee ~~on~~on all of the following:

47 (1) The total amount of funds received by a company under the Customized
48 Training Program~~Program~~Program.

49 (1a) The types of services sought by the company, whether for new, expanding,
50 or existing industry.

51 (2) The amount of funds per trainee received by that company~~company~~company.

- 1 (3) The amount of funds received per trainee by the community college
2 delivering the ~~training; training~~.
3 (4) The number of trainees trained by the company and community ~~e~~college;
4 and ~~college~~.
5 (5) The number of years that company has been funded.
6 (6) An assessment of how the Customized Training Program has been used to
7 support companies in BRIGHT Market segments, including
8 recommendations on how these efforts can be expanded or aligned with
9 nondegree certification programs to increase employment in jobs shown in
10 the NCWorks Online system that require those nondegree certifications. As
11 used in this subdivision, the term "BRIGHT Market" means the following
12 market segments: broadband, retail online services, the Internet of things, the
13 power grid, health care, and training and education."

14 **SECTION 7.** G.S. 143B-438.14 is amended by adding a new subsection to read:

15 **"§ 143B-438.14. "No Adult Left Behind" Initiative.**

16 ...
17 (e) On or before July 1, 2017, and annually on January 1 thereafter, the NCWorks
18 Commission shall submit to the Governor and to the chairs of the House of Representatives
19 Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of
20 the Senate Appropriations Committee on Natural and Economic Resources, and the Fiscal
21 Research Division the following regarding BRIGHT Market segments, which phrase means
22 broadband, retail online services, the Internet of things, the power grid, health care, and training
23 and education:

- 24 (1) An assessment of current adult educational programs to expand economic
25 opportunities for adult workers in BRIGHT Market segments.
26 (2) An evaluation of nondegree certifications, as reflected in the NCWorks
27 Online system, that are being offered, including recommendations for how
28 certification programs can be expanded, accelerated, and made more readily
29 accessible.
30 (3) An evaluation of how data in the NCWorks Online system is made available
31 for use in conjunction with other workforce and education data in systems
32 operated by other State agencies, including the Department of Information
33 Technology. The evaluation shall include recommendations for how
34 information can be more readily shared with public and private enterprises
35 through application interfaces and open data frameworks to accelerate and
36 increase employment in the BRIGHT Market segments."

37 **SECTION 8.** Section 15.1 of S.L. 2016-94 is amended by adding two new
38 subsections to read:

39 **"SECTION 15.1.(e)** On or before July 1, 2017, the Department of Commerce shall
40 supplement the report submitted pursuant to subsection (b) of this section with all of the
41 following:

- 42 (1) An evaluation of the impact of the inclusion of digital infrastructure in
43 G.S. 143-128.1C on the ability of individuals and communities to pursue
44 public-private partnerships to develop digital infrastructure in underserved
45 areas and recommendations on how to accelerate development efforts.
46 (2) An evaluation of whether funds allocated for downtown revitalization
47 projects can or should be used to support the development of digital
48 infrastructure.
49 (3) Recommendations for ways the Rural Economic Development Division,
50 North Carolina Rural Electrification Authority, Labor Force Development
51 Council, Rural Infrastructure Authority, Community Assistance Division,

1 Employment and Training Division, Job Training Coordinating Council,
2 along with the Departments of Information Technology, Department of
3 Environmental Quality, Department of Labor, Department of Health and
4 Human Services, Department of Public Instruction, North Carolina
5 Community College System, The University of North Carolina, and the
6 North Carolina Independent Colleges and Universities to align the resources
7 and programs targeted at and available to connect people in rural
8 communities with the opportunities presented by the growth in the BRIGHT
9 Market segments.

10 **"SECTION 15.1.(f)** As used in subsection (e) of this section, the following meanings
11 apply:

12 (1) BRIGHT Market means the following market segments: broadband, retail
13 online services, the Internet of things, the power grid, health care, and
14 training and education.

15 (2) Digital infrastructure means the components of a wired or wireless network."

16 **SECTION 9.** This act becomes effective July 1, 2017, and applies to contracts
17 entered into on or after that date.