

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 185

Short Title: GPAC/ Economic Responsibility.

(Public)

Sponsors: Senators Perdue; and Martin of Guilford.

Referred to: Government Performance Audit.

February 17, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT
PERFORMANCE AUDIT COMMITTEE TO ASSIGN KEY RESPONSIBILITY
FOR EACH MAJOR ECONOMIC DEVELOPMENT ACTIVITY TO A SPECIFIC
DEPARTMENT OR ORGANIZATION.

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that:

- (1) The term "economic development" encompasses all activities conducted for the express purpose of increasing and maintaining the economic vitality of North Carolina, including industrial and business recruiting, business retention, facilitating business creation, providing small business assistance, job training and work-force preparedness programs, and investing in infrastructure, both physical (roads, utilities, etc.) and technological (fiber optics networks and other information system links).
- (2) State General Fund expenditures for the 1991-92 fiscal year for economic development were approximately eighty-four million dollars (\$84,000,000).
- (3) This eighty-four million dollars (\$84,000,000) expenditure on economic development was allocated among 40 different State and State-associated programs and entities, which can be grouped into five broad categories:
 - a. Nonprofit agencies.
 - b. The Department of Community Colleges.

- 1 c. The Department of Commerce.
2 d. Other State departments, including the Department of
3 Agriculture, the Business Licensing Office of the Department of
4 the Secretary of State, the Department of Administration, and
5 the Department of Environment, Health, and Natural Resources.
6 e. The University of North Carolina.

7 (4) Thus, State economic development activity is highly fragmented; this
8 fragmentation and lack of integration results in the potential for
9 inadvertent duplication as well as lost opportunities for synergy and
10 collaboration.

11 (5) Each key economic development player identified above makes a
12 unique and significant contribution to the State's overall economic
13 development program.

14 (6) To maximize the return on North Carolina's investment in economic
15 development, each of these key players must focus on its strengths,
16 rather than diffusing its efforts across several economic development
17 strategies.

18 Sec. 2. Part 2 of Article 10 of Chapter 143B of the General Statutes is
19 amended by adding a new section to read:

20 "**§ 143B-437C. Allocation of economic development responsibilities.**

21 The Department of Commerce shall coordinate economic development efforts
22 among the various agencies and entities that receive economic development
23 appropriations and shall recommend to the Governor and to the General Assembly the
24 assignment of key responsibilities for different aspects of economic development within
25 the following framework:

- 26 (1) The Department of Commerce shall take primary responsibility for
27 recruitment, retention, and expansion of industry and tourism.
28 (2) The Department of Agriculture shall take primary responsibility for
29 recruitment, retention, and expansion of agribusiness industry, in
30 support of the Department of Commerce.
31 (3) The Department of Community Colleges shall take primary
32 responsibility for implementation of worker training programs.
33 (4) The Department of Labor shall take primary responsibility for
34 coordinating and planning worker training programs.
35 (5) The special purpose nonprofit organizations funded by the General
36 Assembly for economic development activities shall take primary
37 responsibility for facilitating business creation through financing,
38 education, or other support.

39 The Economic Development Council created in G.S. 143B-434 shall recommend
40 resource allocation and planning designed to encourage each agency to focus on its area
41 of primary responsibility and not diffuse its resources by conducting activities assigned
42 to other agencies."

43 Sec. 3. This act is effective upon ratification.