

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1533

Short Title: Technological Dev. Authority Funds.

(Public)

Sponsors: Representatives B. Ethridge; and Bowman.

Referred to: Appropriations.

May 3, 1989

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS FOR THE NORTH CAROLINA
TECHNOLOGICAL DEVELOPMENT AUTHORITY.

The General Assembly of North Carolina enacts:

Section 1. The North Carolina Technological Development Authority will provide to the General Assembly an annual fiscal year report, to be delivered on September 1 of each year, describing the amount and mechanisms of the State's investment in science and technology-based economic development, the manner of expenditure of that investment, and the jobs and other economic benefits to the citizens of North Carolina which result, or are anticipated to result, from that investment. Furthermore, in order to facilitate the collection of information necessary for its annual report to the General Assembly, the North Carolina Technological Development Authority is empowered to initiate any such joint ventures or contractual agreements as it deems necessary, with the State and non-State agencies through which the State's investment in science and technology-based investment is made.

Sec. 2. G.S. 143B-471.5 reads as rewritten:

"§ 143B-471.5. North Carolina Innovation Research Fund.

(a) The North Carolina Innovation Research Fund is hereby created to provide equity financing for the research activities of new and existing small business concerns in various regions of the State, including agriculture, aquaculture and forestry enterprises. This financing is designed to enable small business concerns to acquire technical and management assistance and otherwise to conduct research leading to new or improved product or service development.

1 (b) The fund will take an equity position in contracting concerns through the
2 purchase of stock, the receipt of royalties, or other equity instruments.

3 (c) The fund will consist of appropriations from the State, with these
4 appropriations to be reverting; moneys derived from federal, local governments and
5 private grants; receipt of royalties and sale of equities.

6 (d) Awards per research project shall not exceed one hundred thousand dollars
7 (\$100,000) per fiscal year. Awards will be limited to concerns physically located in
8 North Carolina, but the awards shall not be limited to incubator-affiliated projects.

9 (e) To protect its investments, the Authority shall make development agreements
10 with contracting concerns, to ensure proper use of fund awards and the receipt of
11 royalties, where appropriate. Development agreements shall assign all rights to
12 abandoned projects to the Authority.

13 (f) Any funds received through the receipt of royalties, dividends, or the sale of
14 equity instruments shall be deposited in the fund and are available to the Authority for
15 use in administering investments under this Part."

16 Sec. 3. There is appropriated from the General Fund to the North Carolina
17 Technological Development Authority \$537,233 for the 1989-90 fiscal year and
18 \$537,233 for the 1990-91 fiscal year for the Technological Development Authority.
19 These funds shall be allocated as follows:

20 (1) For the 1989-90 fiscal year, \$67,233 for operating expenses and
21 \$470,000 for grants to incubator facilities.

22 (2) For the 1990-91 fiscal year, \$67,233 for operating expenses and
23 \$470,000 for grants to incubator facilities.

24 Sec. 4. Funds appropriated in Section 3 of this act to the North Carolina
25 Technological Development Authority for incubator facilities shall be allocated
26 according to per capita income, unemployment, and population growth in an effort to
27 direct funds to only the 20 counties most in need in terms of lowest per capita income,
28 highest unemployment, and slowest population growth.

29 Sec. 5. This act shall become effective July 1, 1989.