

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

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**HOUSE BILL 1780\***

Short Title: Small Business Invest. Prog. Funds.

(Public)

Sponsors: Representatives Gibson, Abernethy, Redwine; and Bowman.

Referred to: Appropriations.

May 8, 1989

A BILL TO BE ENTITLED  
AN ACT TO APPROPRIATE FUNDS TO CREATE A NORTH CAROLINA  
INVESTMENT PROGRAM FOR THE STIMULATION OF SMALL BUSINESS  
DEVELOPMENT.

Whereas, investment capital is the most frequently cited need of persons starting a business or wishing to expand a growing business; and

Whereas, the creation of the Regional Small Business Investment Program, Inc., will provide financial assistance to new and expanding businesses; and

Whereas, the original board of directors of the Regional Small Business Investment Program, Inc., will consist of three members appointed by the Governor, three members appointed by the Speaker of the House of Representatives, three members appointed by the President Pro Tempore of the Senate, and the chief executive of the Corporation; Now, therefore,

The General Assembly of North Carolina enacts:

Section 1. There is appropriated from the General Fund to the Regional Small Business Investment Program, Inc., \$3,000,000 for the 1989-90 fiscal year for the purpose of capitalizing at least four regional Small Business Investment Corporations (SBIC) and at least one statewide Minority Enterprise Small Business Investment Company (MESBIC). The funds are appropriated based on the commitment of the recipient to meet the following conditions:

- (1) \$2,000,000 of the appropriation shall be matched on a dollar-for-dollar basis with one dollar of privately raised funds for each dollar provided by the State.

1           (2)    The SBIC's and the MESBIC shall be operated to fully utilize such  
2                federal funding support as may be available from time to time and  
3                shall be licensed, at all times, by the U.S. Small Business  
4                Administration.

5           (3)    Failure to commence operations of SBIC's and MESBIC's within two  
6                years, shall authorize the State to require full reimbursement of the  
7                appropriated funds.

8           (4)    The Regional Small Business Investment Program, Inc., shall submit  
9                to the Joint Legislative Commission on Governmental Operations, the  
10              Joint Appropriations Committee on Natural and Economic Resources,  
11              the Fiscal Research Division, and the Department of Commerce copies  
12              of all reports required to be submitted to the U.S. Small Business  
13              Administration and a quarterly nonaudited balance sheet, profit and  
14              loss statement, and schedule of investments.

15           Failure to continue to operate under these conditions shall be grounds for a  
16           request for return of the appropriated funds. In the event that any SBIC or MESBIC is  
17           not in good standing and licensed by the U.S. Small Business Administration, or in the  
18           event of dissolution, the Regional Small Business Investment Program, Inc., shall  
19           transfer a pro rata share of its assets, equivalent to the value of the appropriation made  
20           by this section, to the State Treasurer and will refrain from disposing of its assets  
21           without the approval of the State Treasurer.

22           Sec. 2. This act shall become effective July 1, 1989.