

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 1989

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SENATE BILL 1231*

Short Title: Small Business Invest. Prog. Funds. (Public)

Sponsors: Senators Kincaid, Martin of Pitt, Royall, and Simpson.

Referred to: Small Business.

May 8, 1989

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

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

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

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

14 The General Assembly of North Carolina enacts:

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

- 21 (1) \$2,000,000 of the appropriation shall be matched on a dollar-for-dollar
- 22 basis with one dollar of privately raised funds for each dollar provided
- 23 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.