

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1989**

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SENATE BILL 1231\*  
Small Business Committee Substitute Adopted 6/13/89

Short Title: Small Business Invest. Prog. Funds.

(Public)

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Sponsors:

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Referred to:

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May 8, 1989

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS TO CREATE A NORTH CAROLINA  
2 INVESTMENT PROGRAM FOR THE STIMULATION OF SMALL BUSINESS  
3 DEVELOPMENT.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. There is appropriated from the General Fund to the "Regional  
7 Small Business Investment Program, Inc., a Business Development Corporation of  
8 North Carolina" which shall be organized under Article 1, Chapter 53A of the General  
9 Statutes, the sum of \$3,000,000 for the 1989-90 fiscal year for the purpose of  
10 capitalizing at least four regional Small Business Investment Companies (SBIC) and at  
11 least one statewide Minority Enterprise Small Business Investment Company  
12 (MESBIC). The funds are appropriated based on the commitment of the recipient to  
13 meet the following conditions:

- 14 (1) \$2,000,000 of the appropriation shall be matched on a dollar-for-dollar  
15 basis with one dollar of privately raised funds for each dollar provided  
16 by the State.  
17 (2) The SBICs and the MESBIC shall be operated to fully utilize such  
18 federal funding support as may be available from time to time and  
19 shall be licensed, at all times, by the U.S. Small Business  
20 Administration.  
21 (3) Failure to commence operations of SBICs and MESBIC within two  
22 years, shall authorize the State to require full reimbursement of the  
23 appropriated funds.

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

8 Sec. 2. The SBICs and the MESBIC shall each have a Board of Advisors  
9 which shall review investment proposals. The MESBIC Board of Advisors will be  
10 composed of minority individuals which may advise SBIC Boards of Advisors on  
11 minority issues.

12 Sec. 3. This act shall become effective July 1, 1989.