

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 810
House Committee Substitute Favorable 7/12/90

Short Title: Incubator Facility Program Amd.

(Public)

Sponsors:

Referred to:

April 6, 1989

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE NORTH CAROLINA TECHNOLOGICAL
3 DEVELOPMENT AUTHORITY'S ENABLING LEGISLATION REGARDING
4 THE INCUBATOR FACILITIES PROGRAM.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 143B-471.4 reads as rewritten:

7 "**§ 143B-471.4. Incubator facilities program.**

8 (a) The Authority shall establish one or more incubator facilities within the State.
9 An incubator facility is a building or buildings that provides space and support services
10 for small businesses concerns which are beginning. 'Small business concern' has the
11 same meaning as that contained in Chapter 14A of Title 15, United States Code, and
12 regulations promulgated under it.

13 (b) The Authority shall select sites for incubator facilities. The Authority in
14 selecting sites shall evaluate areas for potential sites using the following criteria but is
15 not limited to them:

- 16 (1) The unemployment rate,
- 17 (2) The need for industrial and economic diversification and development,
- 18 (3) The interest by the locality in the establishment of an incubator facility
- 19 in the area as manifested by grants from public and private sources and
- 20 cooperation agreements between local government, business, labor and
- 21 educational institutions demonstrating the probability of the success of
- 22 the incubator facility.

1 (c) The Authority may make ~~one-time~~ grants to establish incubator ~~facilities.~~
2 facilities, provided that the grant amount received by any single incubator facility may
3 not exceed two hundred thousand dollars (\$200,000). A grant may not exceed two hundred
4 thousand dollars (\$200,000). Local government and interests must at least equal in cash or
5 real estate value any grant made by the Authority; Provided, however, that contributions
6 by State agencies may not be included in the matching grant.

7 (d) Only nonprofit corporations which are affiliated with local universities,
8 colleges, community colleges or combinations thereof to advance the educational and
9 research programs of these institutions shall be eligible to receive a grant from the
10 Authority. Pursuant to rules adopted by the Authority, the corporation shall:

11 (1) Manage and maintain the incubator facility,

12 (2) Develop a mechanism to provide technical, management and
13 entrepreneurial expertise to resident small business concerns and to
14 small business concerns throughout the area, and

15 (3) Abide by rules adopted by the Authority.

16 (e) The incubator facility and any improvements shall be owned by a county,
17 city, political subdivision, nonprofit corporation, or charitable or educational trust, but
18 may be leased to the grant recipient. However, in the event the grant recipient has a
19 lease for a term of five years or longer, then this incubator facility may be owned by any
20 firm or entity if (i) the person or entity that owns the incubator facility does not control
21 the grant recipient, and (ii) the Authority determines that the lease arrangement will
22 further the purpose of the State's incubator facilities program. Incubator facilities may
23 be located in a part of a larger building, then the ownership and lease provisions of this
24 section shall be satisfied if the funds granted to the grant recipient are used only for that
25 portion of the building owned or leased as provided in this section. In the event the
26 physical facility is not used as an incubator facility for a minimum of five years, a pro
27 rata portion of the incubator grant shall be returned for each month the facility is not
28 used as an incubator facility. Small business concern residents of the facility may be
29 provided secretarial and other support facilities and utilities for which the corporation
30 may charge them a part or all of the cost. No small business concern may remain in the
31 facility for more than two years, provided that if the owner of the property determines
32 that it is in the best interest of the economic vitality of the owner, lessor and lessee, or it
33 is economically and physically beneficial to the owner, lessor and lessee, the lease may
34 be extended for a period not to exceed one additional year. Notwithstanding any other
35 provision of law, the State shall not be liable for any act or failure to act of any
36 organization granted funds under this Part, or any small business concern benefiting
37 from the incubator facilities program."

38 Sec. 2. This act is effective upon ratification.