

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1223

Short Title: Economic Development Funds.

(Public)

Sponsors: Representatives Hardaway, Fitch, Blue, Barnhill, Cunningham, Gist, Green, H. Hunter, Jeralds, Kennedy, McAllister, Michaux, Oldham, Wainwright; and Bowman.

Referred to: Appropriations.

May 10, 1991

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE FUNDS TO SUPPORT ECONOMIC DEVELOPMENT
2 ACTIVITIES IN MINORITY NEIGHBORHOODS AND COMMUNITIES,
3 PROGRAMS THAT ASSIST SMALL FARMERS, AND PROGRAMS THAT
4 ASSIST SMALL BUSINESSES.
5

6 The General Assembly of North Carolina enacts:

7 Section 1. There is appropriated from the General Fund to the North Carolina
8 Rural Economic Development Center, Inc., the sum of \$3,000,000 for the 1991-92
9 fiscal year and the sum of \$3,000,000 for the 1992-93 fiscal year, to be allocated to
10 local community development corporations. These funds shall be used to support
11 community economic development projects and activities within the State's minority
12 community.

13 Of the funds appropriated for the 1991-92 fiscal year, the sum of \$1,250,000
14 shall be used for direct grants to local community development corporations to support
15 operations and project activities, the sum of \$750,000 shall be used for direct grants to
16 community development corporations classified as being in the emerging or sustaining
17 phase, the sum of \$500,000 shall be used for direct grants to community development
18 corporations classified as being in the conceptual phase, and the sum of \$500,000 shall
19 be used for matching funds for the National Rural Lending Partnership. If these
20 matching funds are not matched before the end of the 1991-92 fiscal year, they shall be
21 used for grants to local community development corporations during the 1992-93 fiscal
22 year as follows: the sum of \$250,000 for direct grants to community development
23 corporations classified as being in the emerging or sustaining phase and the sum of

1 \$250,000 for direct grants to community development corporations classified as being
2 in the conceptual phase.

3 Of the funds appropriated for the 1992-93 fiscal year, the sum of \$1,500,000
4 shall be used for direct grants to local community development corporations to support
5 operations and project activities, the sum of \$1,000,000 shall be used for direct grants to
6 community development corporations classified as being in the emerging or sustaining
7 phase, and the sum of \$500,000 shall be used for direct grants to community
8 development corporations classified as being in the conceptual phase.

9 The North Carolina Rural Economic Development Center, Inc., shall report
10 quarterly to the Joint Legislative Commission on Governmental Operations on the use
11 of the funds appropriated in this section.

12 For purposes of this section, the term "community development corporation"
13 means a nonprofit corporation, chartered pursuant to Chapter 55A of the General
14 Statutes and tax-exempt pursuant to section 501(c)(3) of the Internal Revenue Code,
15 whose primary mission is to develop and improve low-income communities and
16 neighborhoods through economic and related development, whose activities and
17 decisions are initiated, managed, and controlled by their constituencies, and whose
18 primary function is to act as deal maker and packager of projects and activities that will
19 increase their constituencies' opportunities to become owners, managers, and producers.

20 Sec. 2. There is appropriated from the General Fund to the Land Loss
21 Prevention Project, Inc., the sum of \$400,000 for the 1991-92 fiscal year and the sum of
22 \$400,000 for the 1992-93 fiscal year to provide free legal representation to low-income,
23 financially distressed small farmers. The Land Loss Prevention Project, Inc., shall not
24 use these funds to represent farmers who have income and assets that would make them
25 financially ineligible for legal services pursuant to Title 45, Part 1611 of the Code of
26 Federal Regulations. The Land Loss Prevention Project, Inc., shall report quarterly to
27 the Joint Legislative Commission on Governmental Operations on the use of these
28 funds.

29 Sec. 3. There is appropriated from the General Fund to the North Carolina
30 Coalition of Farm and Rural Families, Inc., the sum of \$2,000,000 for the 1991-92 fiscal
31 year and the sum of \$2,000,000 for the 1992-93 fiscal year for its Small Farm Economic
32 Development Project. These funds shall be used to foster economic development within
33 the State's rural farm communities by offering financial, marketing, and technical
34 assistance to small and limited resource farmers. Seventy-five percent (75%) of these
35 funds shall be used for a revolving loan fund, fifteen percent (15%) of these funds shall
36 be used to establish an agricultural market promotion matching fund program, and ten
37 percent (10%) of these funds shall be used for operational and administrative support.
38 The North Carolina Coalition of Farm and Rural Families, Inc., shall report quarterly to
39 the Joint Legislative Commission on Governmental Operations on the use of these
40 funds.

41 Sec. 4. There is appropriated from the General Fund to the North Carolina
42 Institute for Minority Economic Development, Inc., the sum of \$200,000 for the 1991-
43 92 fiscal year and the sum of \$200,000 for the 1992-93 fiscal year to foster minority
44 economic development within the State through policy analysis, information and

1 technical assistance, and resource expansion. The North Carolina Institute for Minority
2 Economic Development, Inc., shall research and identify key issues affecting the
3 economic well-being of the State's ethnic minority community and issue annual reports
4 with appropriate recommendations; provide information and technical assistance to
5 organizations with minority economic development-based projects in common areas of
6 need and interests; develop a resource bank of data and information to strengthen
7 minority economic development initiatives; and facilitate training in appropriate areas
8 of need. The North Carolina Institute for Minority Economic Development, Inc., shall
9 report quarterly to the Joint Legislative Commission on Governmental Operations on
10 the use of these funds.

11 Sec. 5. There is appropriated from the General Fund to the North Carolina
12 Rural Economic Development Center, Inc., the sum of \$2,500,000 for the 1991-92
13 fiscal year and the sum of \$2,500,000 for the 1992-93 fiscal year, to be allocated to
14 local minority-owned and operated credit unions and to the North Carolina Minority
15 Credit Union Support Center, Inc. These funds shall be used to foster minority
16 economic development within the State by increasing the lending capacity of minority
17 owned and operated credit unions. Ninety percent (90%) of these funds shall be
18 allocated to local minority owned and operated credit unions for capitalization of
19 economic development and housing loans, and ten percent (10%) of these funds shall be
20 allocated to the North Carolina Minority Credit Union Support Center, Inc., for
21 operational and administrative support. The North Carolina Rural Economic
22 Development Center, Inc., shall report quarterly to the Joint Legislative Commission on
23 Governmental Operations on the use of these funds.

24 Sec. 6. There is appropriated from the General Fund to the North Carolina
25 Rural Economic Development Center, Inc., the sum of \$1,500,000 to expand the
26 Microenterprise Loan Program. Of the funds appropriated, \$1,000,000 of the
27 appropriation shall be used as loan loss reserves and \$500,000 shall be used to cover
28 operational costs. These funds are to be matched on the basis of two dollars of non-
29 State funds for every one dollar of State funds.

30 Sec. 7. This act becomes effective July 1, 1991.