

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

1

SENATE BILL 1145

Short Title: Economic Dev. Funds.

(Public)

Sponsors: Senators Richardson, Ballance, Lee, Hunt, and Martin of Guilford.

Referred to: Appropriations.

June 3, 1992

A BILL TO BE ENTITLED

**AN ACT TO APPROPRIATE FUNDS FOR ECONOMIC DEVELOPMENT
PROJECTS AND ACTIVITIES WITHIN THE STATE'S MINORITY
COMMUNITY.**

The General Assembly of North Carolina enacts:

Section 1. (a) There is appropriated from the General Fund to the North Carolina Rural Economic Development Center, Inc., the sum of one million four hundred thousand dollars (\$1,400,000) for the 1992-93 fiscal year for allocation to local community development corporations. These funds shall be used to support community economic development projects and activities within the State's minority community.

Of the funds appropriated in this section, one million one hundred fifty thousand dollars (\$1,150,000) shall be used for direct grants to the local community development corporations that have previously received State funds for this purpose to support operations and project activities, one hundred thousand dollars (\$100,000) shall be available for direct grants to local community development corporations that have not previously received State funds for this purpose, and one hundred fifty thousand dollars (\$150,000) shall be a direct grant to the North Carolina Association of Community Development Corporations, seventy-five thousand dollars (\$75,000) of which shall be used to support operations and project activities, and seventy-five thousand dollars (\$75,000) of which shall be used to fund the North Carolina Association of Community Development Corporations' loan fund. If funds allocated under this subsection for direct grants to community development corporations that have previously received State Funds have not been committed for direct grants by the North Carolina Rural Economic Development Center by March 31, 1993, then such

1 uncommitted funds shall be used for direct grants to community development
2 corporations that have not previously received State funds. The North Carolina Rural
3 Economic Development Center, Inc., and the North Carolina Association of Community
4 Development Corporations shall establish, and the North Carolina Rural Economic
5 Development Center, Inc., shall implement, performance-based criteria for determining
6 which community development corporations will receive a grant and the grant amounts.

7 (b) The North Carolina Rural Economic Development Center, Inc., shall
8 report quarterly to the Joint Legislative Commission on Governmental Operations on
9 the use of the funds allocated in this subsection.

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

20 Sec. 2. There is appropriated from the General Fund to the Office of State
21 Budget and Management, the sum of three hundred thousand dollars (\$300,000) for the
22 1992-93 fiscal year for allocation to the Land Loss Prevention Project, Inc., to provide
23 free legal representation to low-income financially distressed small farmers. The Land
24 Loss Prevention Project, Inc., shall not use these funds to represent farmers who have
25 income and assets that would make them financially ineligible for legal services
26 pursuant to Title 45, Part 1611 of the Code of Federal Regulations. The Land Loss
27 Prevention Project, Inc., shall report quarterly to the Joint Legislative Commission on
28 Governmental Operations on the use of these funds.

29 Sec. 3. There is appropriated from the General Fund to the Office of State
30 Budget and Management, the sum of two hundred fifty thousand dollars (\$250,000) for
31 the 1992-93 fiscal year for allocation to the North Carolina Coalition of Farm and Rural
32 Families, Inc., for its Small Farm Economic Development Project. These funds shall be
33 used to foster economic development within the State's rural farm communities by
34 offering financial, marketing, and technical assistance to small and limited resource
35 farmers. The North Carolina Coalition of Farm and Rural Families, Inc., shall report
36 quarterly to the Joint Legislative Commission on Governmental Operations on the use
37 of these funds.

38 Sec. 4. There is appropriated from the General Fund to the Office of State
39 Budget and Management, the sum of three hundred fifty thousand dollars (\$350,000) for
40 the 1992-93 fiscal year for allocation to the North Carolina Institute for Minority
41 Economic Development, Inc., to foster minority economic development within the State
42 through policy analysis, information and technical assistance, and resource expansion.
43 The North Carolina Institute for Minority Economic Development, Inc., shall research
44 and identify key issues affecting the economic well-being of the State's ethnic minority

1 community and issue annual reports with appropriate recommendations; provide
2 information and technical assistance to organizations with minority economic
3 development-based projects in common areas of need and interests; develop a resource
4 bank of data and information, facilitate training in appropriate areas of need, and
5 provide technical assistance to minority construction contractors. The North Carolina
6 Institute for Minority Economic Development, Inc., shall report quarterly to the Joint
7 Legislative Commission on Governmental Operations on the use of these funds.

8 Sec. 5. There is appropriated from the General Fund to the North Carolina
9 Rural Economic Development Center, Inc., the sum of one million dollars (\$1,000,000)
10 for the 1992-93 fiscal year for allocation to local minority-owned and operated credit
11 unions, and for allocation to the North Carolina Minority Credit Union Support Center,
12 Inc. These funds shall be used to foster minority economic development within the
13 State by increasing the lending capacity of minority-owned and operated credit unions.
14 Ninety percent (90%) of these funds shall be allocated to local minority-owned and
15 operated credit unions for capitalization of economic development and housing loans,
16 and ten percent (10%) of these funds shall be allocated to the North Carolina Minority
17 Credit Union Support Center, Inc., for operational and administrative support. The
18 North Carolina Rural Economic Development Center, Inc., shall report quarterly to the
19 Joint Legislative Commission on Governmental Operations on the use of these funds.

20 Sec. 6. There is appropriated from the General Fund to the North Carolina
21 Rural Economic Development Center, Inc., the sum of six hundred fifty thousand
22 dollars (\$650,000) for the 1992-93 fiscal year to be used to expand the Microenterprise
23 Loan Program. Of these funds, no less than four hundred thousand dollars (\$400,000)
24 shall be used as loan loss reserves and no more than two hundred fifty thousand dollars
25 (\$250,000) shall be used to cover operational costs. These funds are to be matched on
26 the basis of two dollars of non-State funds for every one dollar of State funds. The
27 North Carolina Rural Economic Development Center, Inc., shall report quarterly to the
28 Joint Legislative Commission on Governmental Operations on the use of these funds.

29 Sec. 7. There is appropriated from the General Fund to the North Carolina
30 Rural Economic Development Center, Inc., the sum of fifty thousand dollars (\$50,000)
31 for the 1992-93 fiscal year to be used for its expenses in administering this section.
32 The Office of State Budget and Management shall allot the funds pursuant to Sections 5
33 and 6 of this act in increments of not less than two hundred thousand dollars (\$200,000)
34 and not more than three hundred twenty-five thousand dollars (\$325,000) within 30
35 working days of the receipt of the Center's request for the funds. Requests shall include
36 a commitment of any required matching funds from non-State funds. The North
37 Carolina Rural Economic Development Center, Inc., shall distribute the funds pursuant
38 to Sections 5 and 6 of this act immediately upon allotment by the Office of State Budget
39 and Management.

40 Sec. 8. The North Carolina Rural Economic Development Center, Inc., shall
41 not distribute funds under Sections 1, 5, and 6 of this act unless and until the entities
42 eligible for funds under those sections have met the requirements of G.S. 143-6.1.

43 Sec. 9. This act becomes effective July 1, 1992.