

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 941

Short Title: Economic Development Funds.

(Public)

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

Referred to: Appropriations.

May 13, 1991

A BILL TO BE ENTITLED

**AN ACT TO APPROPRIATE FUNDS TO SUPPORT ECONOMIC DEVELOPMENT
ACTIVITIES IN MINORITY NEIGHBORHOODS AND COMMUNITIES,
PROGRAMS THAT ASSIST SMALL FARMERS, AND PROGRAMS THAT
ASSIST SMALL BUSINESSES.**

The General Assembly of North Carolina enacts:

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

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

For purposes of this section, the term "community development corporation" means a nonprofit corporation, chartered pursuant to Chapter 55A of the General Statutes and tax exempt pursuant to section 501(c)(3) of the Internal Revenue Code, whose primary mission is to develop and improve low-income communities and neighborhoods through economic and related development.

Sec. 2. There is appropriated from the General Fund to the Land Loss Prevention Project, Inc., the sum of \$100,000 for the 1991-92 fiscal year and the sum of \$100,000 for the 1992-93 fiscal year to provide free legal representation to low-income, financially distressed small farmers. The Land Loss Prevention Project, Inc., shall not

1 use these funds to represent farmers who have income and assets that would make them
2 financially ineligible for legal services pursuant to Title 45, Part 1611 of the Code of
3 Federal Regulations. The Land Loss Prevention Project, Inc., shall report quarterly to
4 the Joint Legislative Commission on Government Operations on the use of these funds.

5 Sec. 3. There is appropriated from the General Fund to the North Carolina
6 Coalition of Farm and Rural Families, Inc., the sum of \$100,000 for the 1991-92 fiscal
7 year and the sum of \$100,000 for the 1992-93 fiscal year for its Small Farm Economic
8 Development Project. These funds shall be used to foster economic development within
9 the State's rural farm communities by offering financial, marketing, and technical
10 assistance to small and limited resource farmers. At least fifty percent (50%) of these
11 funds shall be used for a revolving loan fund and at least fifteen percent (15%) of these
12 funds shall be used to establish an agricultural market promotion matching fund
13 program. The North Carolina Coalition of Farm and Rural Families, Inc., shall report
14 quarterly to the Joint Legislative Commission on Governmental Operations on the use
15 of these funds.

16 Sec. 4. There is appropriated from the General Fund to the North Carolina
17 Institute for Minority Economic Development, Inc., the sum of \$150,000 for the 1991-
18 92 fiscal year and the sum of \$150,000 for the 1992-93 fiscal year to foster minority
19 economic development within the State through policy analysis, information and
20 technical assistance, and resource expansion. The North Carolina Institute for Minority
21 Economic Development, Inc., shall research and identify key issues affecting the
22 economic well-being of the State's ethnic minority community and issue annual reports
23 with appropriate recommendations; provide information and technical assistance to
24 organizations with minority economic development-based projects in common areas of
25 need and interests; develop a resource bank of data and information to strengthen
26 minority economic development initiatives; and facilitate training in appropriate areas
27 of need. The North Carolina Institute for Minority Economic Development, Inc., shall
28 report quarterly to the Joint Legislative Commission on Governmental Operations on
29 the use of these funds.

30 Sec. 5. There is appropriated from the General Fund to the North Carolina
31 Rural Economic Development Center, Inc., the sum of \$1,500,000 for the 1991-92
32 fiscal year and the sum of \$1,500,000 for the 1992-93 fiscal year, to be allocated to
33 local minority-owned and operated credit unions and to the North Carolina Minority
34 Credit Union Support Center, Inc. These funds shall be used to foster minority
35 economic development within the State by increasing the lending capacity of minority
36 owned and operated credit unions. Ninety percent (90%) of these funds shall be
37 allocated to local minority owned and operated credit unions for capitalization of
38 economic development and housing loans, and ten percent (10%) of these funds shall be
39 allocated to the North Carolina Minority Credit Union Support Center, Inc., for
40 operational and administrative support. The North Carolina Rural Economic
41 Development Center, Inc., shall report quarterly to the Joint Legislative Commission on
42 Governmental Operations on the use of these funds.

43 Sec. 6. There is appropriated from the General Fund to the North Carolina
44 Rural Economic Development Center, Inc., the sum of \$500,000 to expand the

1 Microenterprise Loan Program. Of the funds appropriated, \$300,000 of the
2 appropriation shall be used as loan loss reserves and \$200,000 shall be used to cover
3 operational costs. These funds are to be matched on the basis of two dollars (\$2.00) of
4 non-State funds for every one dollar (\$1.00) of State funds.

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