

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 703

Rules and Operation of the Senate Committee Substitute Adopted 7/13/95

Short Title: Streamline State Economic Development.

(Public)

Sponsors:

Referred to: Appropriations

April 13, 1995

A BILL TO BE ENTITLED

AN ACT TO STREAMLINE, CONSOLIDATE, AND MAKE MORE EFFICIENT THE ECONOMIC DEVELOPMENT ACTIVITIES AND FUNCTIONS OF STATE GOVERNMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143B-434.01(b) reads as rewritten:

"(b) Board to Prepare Plan. – The Board shall prepare the Plan by April 1, 1994. The Board shall review and update this Plan by ~~April~~October 1 of each year. The original Plan shall cover a period of four years and each annual update shall extend the time frame by one year so that a four-year plan is always in effect. The Board shall provide copies of the Plan and each annual update to the Governor and the Joint Legislative Commission on Governmental Operations. The Plan shall encompass all of the components set out in this section."

Sec. 2. G.S. 143B-434.01(e) reads as rewritten:

"(e) Environmental Scan. – The first step in developing the Plan shall be to develop an environmental scan based on the input from economic development parties and the public and on information about the economic environment in North Carolina. To prepare the scan, the Board shall gather the following information. Thereafter, the information shall be updated periodically.

- 1 (1) Compilation of the latest economic and demographic data on North
2 Carolina by State, Region, and county including population, population
3 projections, employment, and employment projections, income and
4 earnings status and outlook, migration and commuting patterns,
5 unemployment, poverty, and other similar data.
- 6 (2) Compilation of the latest data on the strength of the business
7 environment by State, Region, and county with emphasis on the
8 dynamics of job ~~creation~~ creation, workforce preparedness, start-ups,
9 expansions, locations, contractions, and failures. Special assessments
10 are to be made of rural, small, and minority business components of
11 overall activity.
- 12 (3) Compilation of the latest data on labor compensation, construction
13 costs, utility rates, payroll costs, taxes, and other cost data normally
14 considered by manufacturing firms and new businesses and shall be
15 tabulated by State, Region, and county.
- 16 (4) Compilation of data on assets within the State and by Region and
17 county to include the following:
 - 18 a. Available buildings, bona fide industrial parks, and sites.
 - 19 b. Characteristics of the available labor force (number,
20 demographic attributes, skill levels, etc.).
 - 21 c. Special labor situations, such as military base discharges and
22 large plant closings.
 - 23 d. Available infrastructure capacities by county and Region
24 including water, sewer, electrical, natural gas,
25 telecommunication, highway access, and other pertinent services.
 - 26 e. The fiscal capacity of counties and localities within counties to
27 support the infrastructure development necessary to participate in
28 the development process.
 - 29 f. Analyses of assimilative capacity of riverine, estuarine, or ocean
30 outfalls, or other environmental cost considerations.
 - 31 g. Proximity analyses of counties in close alignment with major
32 urban areas in bordering states.
 - 33 h. Special educational and research capabilities.
 - 34 i. Special transportation situations such as major airports, ports,
35 and railyards.
 - 36 j. Available data on the performance, contribution, and impact each
37 economic sector (including, but not limited to, agriculture,
38 finance, manufacturing, public utilities, trade, services, tourism,
39 and government) is having on individual counties, Regions, and
40 the State.
 - 41 k. Available tourist and service assets.

- 1 l. Analyses of seasonal population and absentee ownership in resort
2 and tourism areas and their impact on the delivery of public
3 services.
4 m. Cost and availability of natural gas and electricity.
5 (5) Compilation and analyses of data on economic and industrial changes in
6 competitor states by Region, as applicable. This data shall be entered
7 into a database and kept current. It shall include, specifically, all new
8 plant location information such as origin of the plant, Standard
9 Industrial Classification Code, employment, and investment.
10 (6) Compilation of cost data, policies, and strategies in competitive
11 Southeastern states as well as other United States regions and foreign
12 countries.
13 (7) Compilation of incentives and special programs being offered by other
14 states.
15 (8) Compilation and analyses of other data relating to economic
16 development such as regulatory or legal matters, structural problems,
17 and social considerations, e.g. unemployment, underemployment,
18 poverty, support services, equity concerns, etc.
19 (9) The cost of doing business in North Carolina and other competing
20 states, as it may affect decisions by firms to locate in this State.
21 (10) Competitive assets within the State and by Region and county,
22 including infrastructure, tourist assets, natural resources, labor,
23 educational and research resources, and transportation.
24 (11) Other information relating to economic development such as regulatory
25 or legal matters and social considerations."

26 Sec. 3. G.S. 143B-434.01(j) is repealed.

27 Sec. 4. G.S. 143B-434.01(k) reads as rewritten:

28 "(k) Annual Report. – ~~The Plan shall contain a section~~ Board shall prepare a report
29 devoted to measuring results, to be called 'An Annual Report on Economic Development
30 for the State of North Carolina'. The Annual Report shall contain a comparison of actual
31 results with stated goals and objectives and significant and meaningful statistics to allow
32 policymakers to adjust strategy and tactics as necessary to achieve the formulated goals.
33 The Annual Report shall also provide information showing separately the administrative
34 costs and the program costs and shall provide detail on funds expended by amount, by
35 purpose, and by State agency.

36 The Annual Report shall break down data by Regions and counties including:

- 37 (1) The net job change (expansions minus contractions) by the various
38 economic sectors of the county, Region, and State.
39 (2) Realized capital investment in plants and equipment by new and
40 expanding industry in each county, Region, and State.
41 (3) Manufacturing changes by county, Region, and State that affect the
42 value of firms, total payrolls, average wages, value of shipments,
43 contributions to gross State product, and value added.

- 1 (4) The net change in the number of firms by county, Region, and State
2 with statistics on the dynamics of change: relocations in versus
3 relocations out; births versus deaths; and expansions versus
4 contractions.
- 5 (5) A measure of the status and performance of all sectors of the county,
6 Region, and State economy including, but not limited to, manufacturing,
7 agriculture, trade, finance, communications, transportation, utilities,
8 services, and travel and tourism.
- 9 (6) An assessment of the relative status and performance of rural business
10 development as opposed to that in urban areas.
- 11 (7) An analysis of the status of minority-owned businesses throughout the
12 State.
- 13 (8) An assessment of the development capability of the various Regions of
14 the State in terms of their environmental, fiscal, and administrative
15 capacity. Those areas that are handicapped by barriers to development
16 should be highlighted.
- 17 (9) An evaluation of the State's economic performance as indicated by the
18 above statistics with the goals and objectives outlined in the Plan."

19 Sec. 5. G.S. 143B-434.01(l) reads as rewritten:

20 "(l) Accountability. – The Board shall ~~make~~submit all data, plans, and
21 reports ~~available~~required under this section to the General Assembly and
22 ~~the~~Joint Legislative Commission on Governmental Operations at
23 ~~appropriate times and upon request.~~by October 1 of each year. The Board
24 shall prepare and make available on an annual basis public reports on
25 each of the major sections of the Plan and the Annual Report indicating
26 the degree of success in attaining each development objective."

27 Sec. 6. G.S. 143B-437C reads as rewritten:

28 "**§ 143B-437C. Allocation of economic development responsibilities.**

29 (a) The Economic Development Board created in G.S. 143B-434 shall coordinate
30 economic development efforts among the various agencies and entities, including those
31 created by executive order of the Governor, that receive economic development
32 appropriations and the Board shall recommend to the Governor and to the General
33 Assembly the assignment of key responsibilities for different aspects of economic
34 development. The Board shall recommend to the Governor and to the General Assembly
35 resource allocation and planning designed to encourage each agency to focus on its area
36 of primary responsibility and not diffuse its resources by conducting activities assigned to
37 other agencies.

38 (b) The Economic Development Board shall prepare an interim report by March 1,
39 1996, and a final report by March 1, 1997, and shall update the report annually thereafter.
40 The report shall include the following:

- 41 (1) Review of the allocation of State expenditures for economic
42 development to State and non-State agencies;

- 1 (2) Examination of the degree to which those expenditures further the goals
2 and objectives of the Strategic Plan;
3 (3) Examination of the degree to which those expenditures are effective in
4 furthering the State's goals and objectives with respect to economic
5 development;
6 (4) Recommended adjustments necessary to eliminate or reduce overlap
7 and duplication and to improve the effectiveness and efficiency of the
8 State's economic development expenditures;
9 (5) Recommendations on allocations of funds for components of economic
10 development and to various organizations and agencies;
11 (6) Recommendations necessary to strengthen the effectiveness and
12 efficiency of the State's economic development expenditures.

13 The Interagency Economic Development Group shall assist the planning unit of the
14 Economic Development Board in the preparation of the report required under this
15 section. The Board shall work in cooperation with the State Auditor, the Office of State
16 Planning, and the Office of State Budget and Management in the preparation of the
17 report.

18 (c) Implementation Plan. The Economic Development Board shall establish an
19 implementation plan assigning to the appropriate parties specific responsibilities for
20 meeting measurable objectives. The implementation plan shall contain all necessary
21 elements so that it may be used as a means to monitor performance, guide appropriations,
22 and evaluate the outcomes of the parties involved in economic development in the State."

23 Sec. 7. This act is effective upon ratification.