

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 75
Finance Committee Substitute Adopted 6/12/03

Short Title: Life Sciences Revenue Bond Authority. (Public)

Sponsors:

Referred to:

February 18, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE A LIFE SCIENCES REVENUE BOND AUTHORITY.
3 The General Assembly of North Carolina enacts:

4 SECTION 1. Chapter 159D of the General Statutes is amended by adding a
5 new Article to read:

6 "Article 3.

7 "Life Sciences Revenue Bond Authority.

8 "**§ 159D-65. Legislative findings.**

9 The General Assembly finds the following:

- 10 (1) The life sciences, including biology, zoology, agronomy,
11 biochemistry, genetics, and molecular biology, have developed and are
12 continuing to develop new commercially viable products designed to
13 diagnose and treat diseases, produce therapeutic proteins and industrial
14 enzymes, synthesize nutritional supplements and specialty chemicals
15 in microorganisms, plants, and animals, and accomplish other
16 beneficial purposes.
- 17 (2) The commercialization of life science products has provided, and will
18 continue to provide, significant economic benefits for the citizens of
19 North Carolina through increased business development and
20 employment.
- 21 (3) North Carolina has a strong life sciences infrastructure in place,
22 fostered over many years by the General Assembly, public and private
23 universities, the North Carolina Biotechnology Center, life sciences
24 companies and investors, and various State, regional, and local
25 economic development initiatives.
- 26 (4) Nationally and within North Carolina, the life sciences industry has an
27 immediate need for additional manufacturing capacity for the
28 extraction, separation, purification, and packaging of products at
29 various stages of the development, testing, and commercialization

1 process, and the demand for this manufacturing capacity is likely to
2 increase significantly in the next three to five years.

3 (5) Employment opportunities created by life sciences manufacturing
4 facilities are ideally suited for rural and urban regions of North
5 Carolina currently undergoing significant economic challenges, and
6 ancillary employment opportunities in construction, logistical support,
7 transportation, raw material supply, and other fields will be enhanced
8 through the construction and operation of life sciences manufacturing
9 facilities in the State.

10 (6) A Life Sciences Revenue Bond Authority to help finance
11 bioprocessing development facilities and bioprocessing manufacturing
12 facilities addresses a critical need for companies that are formulating
13 products, conducting field and clinical trials, and engaging in the
14 production of new products.

15 (7) It is in the interest of the people of North Carolina that the State take
16 steps to encourage the development of these facilities in the State and
17 that the State seek to achieve a position of national leadership and
18 innovation in the field of bioprocess manufacturing by facilitating the
19 construction of economically sound and sustainable facilities in the
20 State.

21 **"§ 159D-66. Definitions.**

22 The following definitions apply in this Article:

23 (1) Authority. – The Life Sciences Revenue Bond Authority.

24 (2) Board. – The Board of Directors of the Authority.

25 **"§ 159D-67. Creation and purposes of Life Sciences Revenue Bond Authority.**

26 (a) Creation. – The Life Sciences Revenue Bond Authority is created within the
27 Department of State Treasurer for organizational and budgetary purposes only. The
28 Authority shall be governed by a Board of Directors. The Board of Directors is
29 authorized to administer the Authority independently in accordance with the
30 requirements of this Article.

31 (b) Purposes. – The Authority has the following purposes:

32 (1) To examine alternatives for enhancing North Carolina's construction
33 financing infrastructure for life sciences manufacturing facilities by
34 credit enhancement vehicles such as revenue bonds.

35 (2) To establish proposed guidelines for the deployment, oversight,
36 promotion, monitoring, and management of these credit enhancement
37 vehicles.

38 (3) To identify prospective life sciences enterprises that might benefit
39 from the establishment of credit enhancement vehicles.

40 (4) To advise and make recommendations to the General Assembly
41 regarding further legislation to achieve the goals of the Authority.

42 (5) To serve as the central life sciences revenue bond policy planning
43 body in the State through collaboration and coordination with State,
44 regional, local agencies, The University of North Carolina System, the

1 North Carolina Biotechnology Center, the State Treasurer, and private
2 entities in order to develop and foster a life sciences credit
3 enhancement infrastructure for the benefit of the citizens of North
4 Carolina.

5 **"§ 159D-68. Board of Directors.**

6 (a) Members. – The Board of Directors consists of seven voting members, as
7 follows:

8 (1) Two members appointed by the Governor.

9 (2) Two members appointed by the General Assembly upon the
10 recommendation of the President Pro Tempore of the Senate in
11 accordance with G.S. 120-121.

12 (3) Two members appointed by the General Assembly upon the
13 recommendation of the Speaker of the House of Representatives in
14 accordance with G.S. 120-121.

15 (4) The State Treasurer of North Carolina or the Treasurer's designee.

16 (b) Terms. – The initial terms of office begin on the date of appointment and
17 expire on June 30, 2005. Board members appointed for subsequent terms shall serve
18 terms of three years. Board members may serve up to two full consecutive three-year
19 terms. All members of the Board shall remain in office until their successors are
20 appointed and qualify.

21 (c) Vacancies. – A vacancy in an appointment made by the Governor shall be
22 filled by the Governor for the remainder of the term. A vacancy in an appointment made
23 by the General Assembly shall be filled in accordance with G.S. 120-122 for the
24 remainder of the term. A person appointed to fill a vacancy must qualify in the same
25 manner as a person appointed for a full term.

26 (d) Chair. – The members of the Board shall elect a Chair from among their
27 members. The Chair shall serve in that position at the pleasure of the Board.

28 **"§ 159D-69. Powers and duties of Authority.**

29 (a) Powers. – The Authority has all of the powers necessary or convenient to
30 carry out this Article, including the following powers:

31 (1) To adopt bylaws for the regulation of its affairs and the conduct of its
32 business and to prescribe rules and policies in connection with the
33 performance of its functions and duties.

34 (2) To adopt and modify an official seal.

35 (3) To maintain an office at any place within the State as it may
36 determine.

37 (4) To apply for, accept, and utilize grants, contributions, and
38 appropriations in order to carry out its duties as provided in this
39 Article.

40 (5) To employ, contract with, direct, and supervise all personnel and
41 consultants and to enter into other contracts as necessary to accomplish
42 the purposes of this Article, within the resources available to the
43 Authority for that purpose.

1 (6) To review and recommend changes in laws, rules, programs, and
2 policies of the State and its agencies and subdivisions to further the
3 enhancement of the life sciences construction financing infrastructure
4 within the State.

5 (b) Duties. – The Authority has the following duties:

6 (1) To establish an organizational structure and operational procedures to
7 administer the Authority's programs.

8 (2) To examine various alternatives for encouraging the expansion of
9 North Carolina's life sciences manufacturing industry by the use of
10 credit enhancement vehicles such as revenue bonds and otherwise.

11 (3) To establish proposed guidelines for the deployment, oversight,
12 promotion, monitoring, and management of these credit enhancement
13 vehicles.

14 (4) To collaborate and coordinate with State, regional, and local agencies,
15 The University of North Carolina System, the North Carolina
16 Biotechnology Center, the State Treasurer, and private entities in order
17 to develop and foster a life sciences credit enhancement infrastructure
18 for the benefit of the citizens of North Carolina.

19 (5) To develop the detailed procedures that could be employed to identify
20 and qualify applicants for credit enhancement programs, including
21 procedures to evaluate the scientific, business, and financial
22 qualifications of these applicants.

23 (6) To receive and process test or pro forma applications from potential
24 applicants for credit enhancement programs to demonstrate the need
25 for the programs and to assess and collect fees from the potential
26 applicants to cover the costs of processing and reviewing the
27 applications."

28 **SECTION 2.** The Life Sciences Revenue Bond Authority created in this act
29 shall provide a written report to the General Assembly by March 31, 2004, setting forth
30 its findings regarding the steps required to encourage and foster the expansion of the
31 North Carolina life sciences manufacturing industry, including proposed legislation if
32 considered appropriate by the Authority.

33 **SECTION 3.** Nothing in this act requires the General Assembly to
34 appropriate funds to implement it.

35 **SECTION 4.** This act is effective when it becomes law.