

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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HOUSE BILL 557*

Short Title: North Carolina GREEN Act. (Public)

Sponsors: Representatives Tolson; Alexander, Carney, Faison, Fisher, Howard, Jones, McLawhorn, Underhill, Wainwright, and E. Warren.

Referred to: Energy and Energy Efficiency, if favorable, Appropriations.

March 12, 2007

A BILL TO BE ENTITLED

AN ACT TO GROW A RENEWABLE AND ENERGY-EFFICIENT ECONOMY IN NORTH CAROLINA (GREEN) BY ESTABLISHING A GREEN BUSINESS FUND TO BE ADMINISTERED BY THE STATE ENERGY OFFICE TO PROVIDE SEED GRANTS TO ENCOURAGE THE DEVELOPMENT OF NORTH CAROLINA'S GREEN ECONOMY.

The General Assembly of North Carolina enacts:

SECTION 1. Article 36 of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 4. NC Green Business Fund.

"§ 143-345.19. NC Green Business Fund established as a special revenue fund.

(a) Establishment. – The NC Green Business Fund is established as a special revenue fund in the Department of Administration. The State Energy Office is responsible for administering the Fund.

(b) Purposes. – Moneys in the NC Green Business Fund shall be allocated pursuant to this subsection. The State Energy Office shall make grants from the Fund to private business with less than 100 employees, nonprofit organizations, local governments, and State agencies to encourage the expansion of small- to medium-size businesses with less than 100 employees to help grow a green economy in the State. Moneys in the NC Green Business Fund shall be used for projects that will focus on the following three priority areas:

(1) To encourage the development of the bio-fuels industry in the State. The State Energy Office shall make grants available to maximize development, production, distribution, retail infrastructure, and consumer purchase of bio-fuels in North Carolina, including workforce development.

(2) To encourage the development of the green building industry in the State. The State Energy Office shall make grants available to grow a

1 market for installation, certification, building material distribution,
2 energy audits, and marketing and sales of green building in North
3 Carolina, including workforce development.

- 4 (3) To attract and leverage private-sector investments and entrepreneurial
5 growth in additional clean technology and renewable energy products
6 and businesses, including workforce development.

7 **"§ 143-345.19A. Green Business Fund Advisory Committee.**

8 The State Energy Office may establish an advisory committee to assist in the
9 development of the specific selection criteria and the grant making process of the Green
10 Business Fund.

11 **"§ 143-345.19B. Agreements required.**

12 Funds may be disbursed from NC Green Business Fund only in accordance with
13 agreements entered into between the State Energy Office and an eligible grantee. Each
14 agreement must contain the following provisions:

- 15 (1) A description of the acceptable uses of grant proceeds. The agreement
16 may limit the use of funds to specific purposes or may allow the funds
17 to be used for any lawful purposes.
- 18 (2) A provision allowing the State Energy Office to inspect all reasonable
19 records of the business that may be used to confirm compliance with
20 the agreement or with the requirements of this Part.
- 21 (3) A provision establishing the method for determining compliance with
22 the agreement.
- 23 (4) A provision establishing a schedule for disbursement of funds under
24 the agreement.
- 25 (5) A provision requiring recapture of grant funds if a business
26 subsequently fails to comply with the terms of the agreement.
- 27 (6) Any other provision the State finds necessary to ensure the proper use
28 of State funds.

29 **"§ 143-345.19C. Program guidelines.**

30 The State Energy Office shall develop guidelines related to the administration of the
31 NC Green Business Fund and to the selection of projects to receive allocations from the
32 Fund, including project evaluation measures. At least 20 days before the effective date
33 of any guidelines or nontechnical amendments to guidelines, the State Energy Office
34 must publish the proposed guidelines on the Office's Web site and provide notice to
35 persons who have requested notice of proposed guidelines. In addition, the Office must
36 accept oral and written comments on the proposed guidelines during the 15 business
37 days beginning on the first day that the Office has completed these notifications. For the
38 purpose of this section, a technical amendment is either of the following:

- 39 (1) An amendment that corrects a spelling or grammatical error.
- 40 (2) An amendment that makes a clarification based on public comment
41 and could have been anticipated by the public notice that immediately
42 preceded the public comment.

43 **"§ 143-345.19D. Reports.**

1 The State Energy Office shall conduct an annual audit review of each Green
2 Business Fund grantee to assess project quality assurance. The State Energy Office shall
3 publish a report on the use of funds in the NC Green Business Fund at the end of each
4 fiscal year. The report shall contain information on the commitment, disbursement, and
5 use of funds allocated under the NC Green Business Fund. The report shall also include
6 the State Energy Office's audit review of the Green Business Fund grantees. The report
7 is due no later than September 1 and must be submitted to the following:

8 (1) The Joint Legislative Commission on Governmental Operations.

9 (2) The chairs of the House of Representatives and Senate Finance
10 Committees.

11 (3) The chairs of the House of Representatives and Senate Appropriations
12 Committees.

13 (4) The Fiscal Research Division of the General Assembly."

14 **SECTION 2.** There is appropriated from the General Fund to the NC Green
15 Business Fund, created pursuant to Section 1 of this act, the sum of fifteen million
16 dollars (\$15,000,000) for each year of the 2007-2009 fiscal biennium. The distribution
17 of funding within the Green Business Fund shall follow this priority order:

18 (1) Priority #1: Bio-fuels – A minimum of 40% of available funds.

19 (2) Priority #2: Green Building – A minimum of 40% of available funds.

20 (3) Priority #3: Green Entrepreneurship – Any remaining available funds.

21 **SECTION 3.** G.S. 147-68(d1) reads as rewritten:

22 "(d1) The Treasurer shall report to the Joint Legislative Commission on
23 Governmental Operations, ~~to the Chairman, Appropriations Base Budget Committee~~
24 ~~and the Chairman, Appropriations Expansion Budget Committee of the House of~~
25 ~~Representatives, and to the Chairman, Committee on Appropriations and the Chairman,~~
26 ~~Committee on Base Budget of the Senate~~the chairs of the House of Representatives and
27 Senate Appropriations Committees, the chairs of the House of Representatives and
28 Senate Finance Committees, and the Fiscal Research Division of the General Assembly,
29 on a quarterly basis, concerning all investments and deposits made by and through his
30 office. The report shall include a listing of all investments with or on behalf of the State
31 or any of its agencies or institutions and shall include the particular agency or
32 institution, fund, rate of return, duration of the investment, and the amount of deposit on
33 all noninterest bearing accounts. The first report is due 90 days after July 1, 1982, and
34 shall include all investments and deposits made during the 1981-82 fiscal year and all
35 investments made during the first quarter of the 1982-83 fiscal year; thereafter, reports
36 shall be made on a quarterly basis including all investments and deposits made during
37 that reporting period. The report shall include a specific listing of all investments made
38 with certified green managers and companies and funds that support sustainable
39 practices, including the names of the companies, managers, and funds, the amount
40 invested, and the State's return on investment."

41 **SECTION 4.** This act becomes effective July 1, 2007.