

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS35373-NIa-77B

Short Title: Tier One County Assistance. (Public)

Sponsors: Senator Smith (Primary Sponsor).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE ECONOMIC ASSISTANCE TO TIER ONE COUNTIES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Short Title. – This act may be cited as the "Economic Empowerment for Tier One Counties Act."

SECTION 1.(b) Findings and Purpose. – It is the intent of the General Assembly by this act to do the following:

- (1) Recognize the unique economic challenges faced by Tier One counties in North Carolina.
- (2) Acknowledge the importance of self-reliance and local empowerment in fostering economic development.
- (3) Empower Tier One counties by allocating funds to support locally driven economies.

SECTION 1.(c) Funding. – There is appropriated from the General Fund to the Department of Commerce (Department) the sum of four hundred million dollars (\$400,000,000) in nonrecurring funds for the 2026-2027 fiscal year to be used for purposes consistent with this act. The funds appropriated pursuant to this act shall not revert at the end of the 2026-2027 fiscal year but shall remain available for expenditure for purposes consistent with this act until all funds have been expended.

SECTION 1.(d) Use of Funds. – Funds appropriated to the Department by this act shall be used to provide grants to development tier one areas, as defined in G.S. 143B-437.08, for projects and initiatives that promote (i) self-sufficiency, (ii) infrastructure improvement, (iii) education, or (iv) workforce development. The Department may use up to one percent (1%) of the funds appropriated in this act for administration of the program and shall establish guidelines for providing for administration of the program. Those guidelines shall include, at a minimum, the following provisions, which shall apply to each grant from the program:

- (1) Only those counties that are designated as "development tier one areas" pursuant to G.S. 143B-437.08 during the year in which funding is disbursed are eligible to receive grant funding under this act.
- (2) A county may receive up to ten million dollars (\$10,000,000) in grant funding under this act.
- (3) A county seeking funding under this act shall submit a proposal to the Department detailing the intended use of the funds they are requesting. The proposal shall include, at a minimum, evidence that the funding will be used for the promotion of (i) self-sufficiency, (ii) infrastructure improvement, (iii) education, or (iv) workforce development.



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- 1 (4) The proposal required pursuant to subdivision (3) of this subsection shall be
2 reviewed and approved by the Department before grant funding is disbursed.
3 The Department may issue grant funding under this act only to those
4 applicants that the Department believes have sufficiently demonstrated that
5 the indicated use of funds by the applicant county will achieve the purposes
6 for which this grant program was established.

7 **SECTION 1.(e) Clawback.** – If a county receives a grant under this act for which it
8 is ineligible, the county forfeits the grant awarded under this act and is liable for the amounts
9 received.

10 **SECTION 1.(f) Reporting.** – On or before December 1, 2026, and at least annually
11 thereafter until all grant funding appropriated and disbursed pursuant to this act has been
12 exhausted, the Department shall submit a report to the chairs of the Joint Legislative Economic
13 Development and Global Engagement Oversight Committee and the Fiscal Research Division
14 detailing, at a minimum, the following:

- 15 (1) The total amount of grant funding disbursed pursuant to this act.
16 (2) The total number of counties who applied for funding.
17 (3) The indicated uses for funding that counties included in the proposals required
18 pursuant to this act.
19 (4) The actual uses of the funding received by the counties under this act.

20 On or before October 1, 2026, and at least annually thereafter until all grant funding
21 received by the county has been exhausted and for which a report has been submitted, every
22 county receiving grant funding under this act shall submit a report to the Department detailing,
23 at a minimum, the following: (i) the uses to which the county put its grant funding, (ii) the total
24 balance of unspent grant funding remaining, and (iii) any other information that the Department
25 deems necessary to comply with its reporting obligation under this subsection.

26 **SECTION 2.** If any provision of this act or its application is held invalid, the
27 invalidity does not affect other provisions or applications of this act that can be given effect
28 without the invalid provisions or application and, to this end, the provisions of this act are
29 severable.

30 **SECTION 3.** This act is effective when it becomes law.