

HB 795: Economic Development Incentives Modifications	SB 660: Economic Development Incentives Modifications	
Sponsors: Reps. S. Martin, Szoka, Ross, Fraley	Sponsors: Sens. Brown, Britt, Lee	
Modify Contracting for Performance of Duties by the Department of Commerce		
Prohibits Commerce from contracting with nonprofits regarding site certification and activities performed by the Department and the performance of one or more functions, powers, duties, or obligations of any other state agency.	Prohibits Commerce from contracting with nonprofits regarding: site certification and activities performed by the Department and the performance of one or more functions, powers, duties, or obligations of any other state agency. (Page 1, Section 1, Lines 25-27)	Identical
Mandatory Contract Terms: Under contract term 2 a, adds a requirement requiring nonprofits to report the name and contact person of each company creating new jobs in the state and the location of each project.	Mandatory Contract Terms: Adds a term prohibiting nonprofit corporations from contracting with any state agency other than Commerce for the performance of one or more of the agency's functions, powers, or duties.	Identical
	Mandatory Contract Terms: adds a term stating that bonuses awarded for job performance may only be measured by reference to work alleviating economic distress in development tier one or two areas, unless the job performance resulted in an award to a high yield project.	Senate version only
Mandatory Contract Terms: Adds a term prohibiting nonprofit corporations from contracting with any state agency other than Commerce for the performance of one or more of the agency's functions, powers, or duties.	Mandatory Contract Terms: Adds a term prohibiting nonprofit corporations from contracting with any state agency other than Commerce for the performance of one or more of the agency's functions, powers, or duties.	Identical

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Discretionary Economic Development Fund Modifications		
Excludes positions filled by worker with a H-1B visa from the definition of eligible positions for GS 143B-437.51	Excludes positions filled by worker with a H-1B visa from the definition of eligible positions for GS 143B-437.51	Identical
JDIG Program requirements: requirement 3, adds language to an existing requirement that the project to be consistent with the economic development goals for the area where it will be location, to include the anticipated effect the project will have on development factors of the area.	JDIG Program: under program requirement 3, adds language to an existing requirement that the project to be consistent with the economic development goals for the area where it will be location, to include the anticipated effect the project will have on development factors of the area.	Identical
	Factors considered for minimum and maximum grants: rewrites consideration a to limit the award to no more than 80% of the withholdings of eligible positions in tier one areas, 70% for tier two, 60% for tier three, and 50% for a county designated as an attainment area.	Senate version only
Factors considered for minimum and maximum grants: rewrites consideration d to read 70% of the annual grant approved for disbursement payable to the business (current law, 75%), and 30% payable to the utility account (current law, 25%).	Factors considered for minimum and maximum grants: rewrites consideration d to read 50% payable to the business (current law 75%) and 50% payable to the utility account (current law 25%)	Provisions differ
Award limitations: establishes that the maximum amount of total liability does not apply to projects entirely in tier 1 areas.		House version only
	Award limitation: Adds a geographic limitation that no more than 50% may be awarded for projects located in whole or in part in tier three areas.	Senate version only
Company Performance Agreements: Prohibits copanies from including workers with H-1B visas in their commitent to create or retain a specified number of jobs.	Company Performance Agreements: Prohibits copanies from including workers with H-1B visas in their commitent to create or retain a specified number of jobs.	Identical
Local Government Grant Agreements: excludes tier three counties identified as attainment areas from an equal matching requirement and provides that the state will provide no more than \$1 for every \$2 provided by the local government.	Local Government Grant Agreements: excludes tier three counties identified as attainment areas from an equal matching requirement and provides that the state will provide no more than \$1 for every \$4 provided by the local government.	Provisions differ
Purpose of Fund: Amends the purpose of the fund to include the retention of existing jobs and expanding the existing job base.	Purpose of Fund: Amends the purpose of the fund to include the retention of existing jobs and expanding the existing job base.	Identical

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Development Tier Modifications		
Annual Ranking: directs the Secretary of Commerce to index: (i) the state average unemployment divided by the county's average rate, (ii) the county's per capita income divided by the per capita income value for the state, (iii) the county's percentage growth in population divided by the state's percentage growth and (iv) the county's adjusted assessed property value per capita divided by the state's percentage growth. Directs the Secretary to rank all counties according to their score and designate any county with a performance greater than the benchmarks for all indexed development factors as an "attainment area"	Annual Ranking: directs the Secretary of Commerce to index: (i) the state average unemployment divided by the county's average rate, (ii) the county's per capita income divided by the per capita income value for the state, (iii) the county's percentage growth in population divided by the state's percentage growth and (iv) the county's adjusted assessed property value per capita divided by the state's percentage growth. Directs the Secretary to rank all counties according to their score and designate any county with a performance greater than the benchmarks for all indexed development factors as an "attainment area"	Identical
Annual Ranking: Adds per capita income and strikes population growth from the list of data measured and includes people incarcerated in state or federal prisons in statistics.	Annual Ranking: Adds per capita income and strikes population growth from the list of data measured and includes people incarcerated in state or federal prisons in statistics.	Identical
Removes adjustments for certain small counties	Removes adjustments for certain small counties	Identical
Removes adjustments for development tier one areas	Removes adjustments for development tier one areas	Identical
Removes exceptions for two-county industrial parks	Removes exceptions for two-county industrial parks	Identical
Removes exception for certain multijurisdictional industrial parks	Removes exception for certain multijurisdictional industrial parks	Identical
Removes exception for eco-industrial parks.	Removes exception for eco-industrial parks.	Identical

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Rural Assistance		
<p>Requires for each Collaboration for Prosperity Zone established in GS 143B-28.1, the employees of the Department in the zone must examine each annual update of the plan; collate all information relevant to the zone, county, region, and other unit of local government in the zone; and provide a copy of the collated information to each unit of local government within the zone. Requires that the collated information also identify any additional regional assets not otherwise contained in the annual update. Requires for any asset identified in the annual update or identified by the employees an analysis to be performed to identify appropriate potential industries best suited to maximize the beneficial economic impact of each asset. Requires the Department to give the Economic Development and Global Engagement Joint Oversight Committee a list of any assets remaining in the collated information for more than two years by January 1 of each year.</p>	<p>Requires for each Collaboration for Prosperity Zone established in GS 143B-28.1, the employees of the Department in the zone must examine each annual update of the plan; collate all information relevant to the zone, county, region, and other unit of local government in the zone; and provide a copy of the collated information to each unit of local government within the zone. Requires that the collated information also identify any additional regional assets not otherwise contained in the annual update. Requires for any asset identified in the annual update or identified by the employees an analysis to be performed to identify appropriate potential industries best suited to maximize the beneficial economic impact of each asset. Requires the Department to give the Economic Development and Global Engagement Joint Oversight Committee a list of any assets remaining in the collated information for more than two years by January 1 of each year.</p>	Identical
<p>Requires, for each Collaboration for Prosperity Zone established in GS 143B-28.1, the employees of the Department in the zone to submit a report to the Joint Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal Research Division on the following: (1) jobs anticipated to result from efforts of the employees, including the name and contact person of each company creating new jobs in the zone; (2) the location of each project, including the development tier designation of the location; and (3) project leads that were not submitted to the Department for possible discretionary incentives.</p>	<p>Requires, for each Collaboration for Prosperity Zone established in GS 143B-28.1, the employees of the Department in the zone to submit a report to the Joint Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal Research Division on the following: (1) jobs anticipated to result from efforts of the employees, including the name and contact person of each company creating new jobs in the zone; (2) the location of each project, including the development tier designation of the location; and (3) project leads that were not submitted to the Department for possible discretionary incentives.</p>	Identical

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Improve Project Impact		
<p>County Improvement Plans and Reports: Directs Commerce to create a plan for improving the performance of each county underperforming the benchmark in one or more indexed development factors to the benchmark performance level at the time the plan was created. The plan shall cover a period of five years. Directs Commerce to publish and submit annual progress reports to the joint Legislative Oversight Committee on Economic Development and Global Engagement.</p>	<p>County Improvement Plans and Reports: Directs Commerce to create a plan for improving the performance of each county underperforming the benchmark in one or more indexed development factors to the benchmark performance level at the time the plan was created. The plan shall cover a period of five years. Directs Commerce to publish and submit annual progress reports to the joint Legislative Oversight Committee on Economic Development and Global Engagement.</p>	Identical
	<p>Amends the policy of the Department of Commerce to include an emphasis on maximizing the return on investment of economic development dollars by selecting projects and project locations on the basis of providing the greatest relief to communities experiencing chronic economic distress.</p>	Senate version only

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Use of Economic Development Tiers and Rankings		
<p>Requires all entities to, by July 1, 2017, elect whether to discontinue the use of the development tier designations for all purposes and programs, including taxes, the North Carolina Development Farmland Preservation Trust Fund, the Spay and Neuter Program, the Abandoned Manufactured Home Cleanup Grants Program, the State Wastewater Reserve, the State Drinking Water Reserve, the Public Safety Assistance Points Grant Program, Oral Health Preventive Services, Medication Assistance, Qualified Allocation Plan for Low-Income Housing Tax Credits, and the Strategic Prioritization Funding Plan for Regional Impact Transportation Investment Projects. This section applies to: (1) the Department of Agriculture and Consumer Services; (2) the Department of Environmental Quality; (3) the Department of Information Technology; (4) the Department of Health and Human Services; (5) the North Carolina Housing Finance Agency; (6) the Department of Transportation; and (7) the Department of Revenue.</p>		House version only
<p>Requires each entity that decides to discontinue the use of the development tier designations to independently develop criteria designed to achieve each program's objectives to be used in place of development tier designations and report by October 1, 2017, on the developed criteria to the Fiscal Research Division and to their respective joint oversight committees. Also requires an entity electing to discontinue use of the development tier designations to annually update, as of January 1 of each calendar year, usage of the development tier designations to those published latest by the Department of Commerce until the developed replacement criteria are enacted into law.</p>		House version only