

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

H

1

HOUSE BILL 1008

Short Title: Rural and Downtown Community Eco. Dev. Grants. (Public)

Sponsors: Representatives Reives, G. Brown, Carney, and A. Jones (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 6, 2024

A BILL TO BE ENTITLED

AN ACT TO CREATE THE RURAL COMMUNITY DEVELOPMENT GRANT PROGRAM
AND THE DOWNTOWN REVITALIZATION GRANT PROGRAM AND TO
APPROPRIATE MONEY FOR PURPOSES CONSISTENT WITH THOSE PROGRAMS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) There is appropriated from the General Fund to the Department of Commerce (the Department) the sum of forty million dollars (\$40,000,000) in nonrecurring funds for the 2024-2025 fiscal year to be allocated to the Rural Economic Development Division (REDD) and used for purposes consistent with subsection (b) of this section. Funds appropriated in this section must be encumbered by December 31, 2026. The Department may use up to three percent (3%) of the funds appropriated in this section for administration of the Program created in subsection (b) of this section.

SECTION 1.(b) Rural Community Development Grant Program. – The funds allocated to REDD by subsection (a) of this section shall be used to create the Rural Community Development Grant Program (the Community Grant Program). The Community Grant Program shall provide grants to local governments in the State to attract business investment and to promote population and revenue growth within those communities for the purposes of (i) reversing the trend of rural depopulation and (ii) transitioning those communities to "commuter towns" or "bedroom communities" that promote and sustain the growth of larger adjacent communities. All county and municipal governments within the State are eligible to apply for grant funding under the Community Grant Program. REDD shall establish guidelines for providing for administration of the Program. Those guidelines shall include the following provisions, which shall apply to each grant under the Program:

- (1) Funds shall only be used for purposes that REDD determines are likely to improve a community's economic and living conditions such that the community is better able to sustain consistent economic and population growth and is better able to balance (i) the livability of the community, (ii) the provision of government services, (iii) full employment and full housing, and (iv) maintaining public order.
- (2) Grants may only be awarded to local governments that REDD determines have satisfactorily demonstrated that a lack of community amenities within their locale has previously prevented them from attracting business investment and promoting the population and revenue growth necessary to stimulate job and revenue growth within their community. Examples of



1 relevant community amenities include restaurants, hotels, child care centers,
2 grocery stores, pools, parks, and hiking trails.

3 (3) Grants shall be awarded on a competitive basis based upon, at a minimum, the
4 following factors: (i) the amount of non-State investment in the project, (ii)
5 the projected wage and job growth from the project, and (iii) the existence of
6 demonstrated community support for the project. REDD shall determine the
7 relative weight due and priority of the factors listed in (i) through (iii) of this
8 subdivision, and any other factors it may choose to include, and shall publicize
9 that information on its website.

10 (4) Grants awarded shall require a match in the amount of one dollar (\$1.00) of
11 non-State funds for every one dollar (\$1.00) of State funds.

12 (5) Individual grant awards may not exceed two million dollars (\$2,000,000).

13 (6) All county and municipal governments seeking grant funding under this
14 section shall submit an application for funding, on a form and in a manner
15 approved by the Department, as a necessary precondition to receiving funding.

16 (7) The application required by subdivision (6) of this subsection shall include, at
17 a minimum, a requirement that the applicant will use any grant funding it
18 receives for projects that are part of a comprehensive local government plan
19 intended to promote (i) downtown revitalization or (ii) community
20 development, or both.

21 **SECTION 2.(a)** There is appropriated from the General Fund to the Department of
22 Commerce the sum of forty million dollars (\$40,000,000) in nonrecurring funds for the
23 2024-2025 fiscal year to be used for the purposes consistent with subsection (b) of this section.
24 Funds appropriated in this section must be encumbered by December 31, 2026. The Department
25 may use up to three percent (3%) of the funds appropriated in this section for administration of
26 the Program created in subsection (b) of this section.

27 **SECTION 2.(b)** Downtown Revitalization Grant Program. – The funds allocated to
28 the Department by subsection (a) of this section shall be used to create the Downtown
29 Revitalization Grant Program (the Revitalization Program). The Revitalization Program shall
30 provide grants to local governments and municipal service districts (as defined in Article 23 of
31 Chapter 160A of the General Statutes) for purposes consistent with this section. All county and
32 municipal governments and municipal service districts within the State are eligible to apply for
33 funding under the Revitalization Program. The Department shall establish guidelines for
34 providing for administration of the Program. Those guidelines shall include the following
35 provisions, which shall apply to each grant from the Program:

36 (1) Grants may only be awarded for the purpose of transitioning and repurposing
37 existing vacant commercial space in the downtown areas of eligible recipients
38 into uses that the Department determines are likely to enhance the overall
39 appeal, functionality, or livability of a downtown area by attracting the people,
40 businesses, or investment necessary to revitalize a downtown area and create
41 a vibrant, desirable place to live, work, and visit.

42 (2) Individual grant awards may not exceed two million dollars (\$2,000,000).

43 (3) All county and municipal governments and municipal service districts seeking
44 grant funding under this section shall submit an application for funding, on a
45 form and in a manner approved by the Department, as a necessary
46 precondition to receiving funding.

47 (4) The application required by subdivision (3) of this subsection shall include, at
48 a minimum, a requirement that the applicant will use any grant funding it
49 receives for projects that are part of a comprehensive local government plan
50 intended to promote (i) downtown revitalization or (ii) community
51 development, or both.

1 **SECTION 3.** No later than September 15 of each year, the Department shall submit
2 a report on the activities conducted with the funds appropriated in this act to the Joint Legislative
3 Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal
4 Research Division. The information provided in the report shall include, at a minimum, the
5 number of grants awarded and the name and location of all local governments and municipal
6 service districts receiving grants. Funds allocated under this act are not subject to the provisions
7 of G.S. 143C-6-23.

8 **SECTION 4.** This act becomes effective July 1, 2024.