

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 616

Short Title: Selectsite Readiness Program Modifications. (Public)

Sponsors: Representative Johnson.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

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

April 1, 2025

A BILL TO BE ENTITLED
AN ACT TO MODIFY THE SELECTSITE READINESS PROGRAM.
The General Assembly of North Carolina enacts:

SECTION 1. Section 11.12 of S.L. 2023-134 reads as rewritten:

"SELECTSITE READINESS PROGRAM

"SECTION 11.12.(a) Funds appropriated by ~~Section 11.4 of S.L. 2022-74 to the Department of Commerce (Department) and allocated to the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b) that remain unspent as of June 30, 2023,~~ shall be transferred to the North Carolina Selectsite Fund established in subsection (c) of this section ~~to shall~~ be used for purposes consistent with ~~subdivision (e)(1) of this section. Of the funds appropriated from the Economic Development Project Reserve established in Section 2.2 of this act to the Department to be allocated to the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b), the sum of ten million dollars (\$10,000,000) in nonrecurring funds for the 2024-2025 fiscal year shall be used to support local governments or a partnership of local governments in conducting due diligence as described in subdivision (b)(5) of this section.~~

"SECTION 11.12.(b) Purpose. – It is in the best economic and developmental interests of the State to support the development of selectsites to ensure the State's ongoing competitiveness for ~~major~~ manufacturing opportunities, including, but not limited to, the aerospace, automotive, clean energy, food processing, semiconductor, and life science industries. The purpose of this section is to establish a competitive grant program serving to do the following:

- (1) Identify and evaluate ~~up to 15~~ selectsites of less than 1,000 acres for preferred development and marketing.
- (2) Assist local governments or a partnership of local governments in the acquisition of a newly identified or existing selectsite.
- (3) Support local governments or a partnership of local governments to analyze, plan, perform engineering design, permit, install, or upgrade public infrastructure, including publicly owned water, gas, and sewer systems; transportation infrastructure; and the electrical utility lines necessary to meet the needs of prospective employers for selectsites.
- (4) Support local governments or a partnership of local governments to fund on-site preparation, including permitting, clearing, grading, or other related expenses for selectsites.
- (5) Support local governments or a partnership of local governments in conducting due diligence, including, but not limited to, the following: site



characteristics, preliminary engineering reports for water and wastewater provision to the site, geotechnical investigations and evaluations, environmental permitting, studies and assessments related to road and highway infrastructure to serve the site, and other assessments as needed.

- (6) Facilitate coordination between the economic development entities and the North Carolina Department of Environmental Quality and the North Carolina Department of Transportation to expedite needs related to timely site development.

"SECTION 11.12.(c) Fund Established. – There is created in the Department a special fund to be known as the North Carolina Selectsite Fund for grants awarded by the Economic Development Partnership of North Carolina (EDPNC) for purposes consistent with this section. EDPNC shall be responsible for administering the program. The provisions prohibiting EDPNC from the awarding of grants contained in G.S. 143B-431.01 do not apply to the Fund.

"SECTION 11.12.(d) Definitions. – The definitions in Section 11.11(c) of S.L. 2022-74 apply in this section. For purposes of this section, a "selectsite" is a parcel of contiguous property consisting of less than 1,000 acres that is viable for industrial development and listed in the report pursuant to subsection (h) of this section. For purposes of this section, "Fund" is the North Carolina Selectsite Fund.

"SECTION 11.12.(e) Allocation. – EDPNC shall allocate monies in the Fund on the following basis:

- (1) ~~Unspent funds transferred pursuant to subsection (a) of this section shall be used~~ On a biennial basis, no more than one hundred fifty thousand dollars (\$150,000) shall be used for engaging a national site selection firm through a competitive bid process to produce a biennial report identifying and evaluating 15-10 new selectsites for preferred development and marketing, of which seven-five must be less than 500 acres and of which an additional two three must be less than 100 acres. Geographic diversity must be a priority consideration in the selection of new sites beginning with the report due in 2026.

- (2) Funds appropriated to the Fund for local government grants shall be allocated for the purposes outlined in subdivisions (b)(2), (b)(3), (b)(4), and (b)(5) of this section for selectsites determined pursuant to subdivision (1) of this subsection. EDPNC shall prioritize local government grants that have the greatest potential to reduce the time for site readiness and reduce the risk of unforeseen conditions that could affect the site viability for ~~advanced~~ manufacturing projects. EDPNC shall base the grant amount on total development needs for the selectsite, prior investment in the selectsite by one or more local governments, the ability of one or more local governments to invest in the selectsite, and the ability and level of participation promised by the local government in exchange for a grant from the Fund. Monies may only be granted for, and used to acquire, a selectsite for which (i) one or more local governments have a binding option or offer to purchase and (ii) all basic due diligence has been completed, including, but not limited to, boundary surveys, title searches, State Historic Preservation Office reviews, Phase I environmental, Threatened & Endangered Species studies, and wetlands delineation.

"SECTION 11.12.(f) Matching Funds. – If a grant is awarded that includes site acquisition assistance, the local governments to which a grant is awarded shall provide the remainder of the cost of purchasing the selectsite not provided by the grant.

"SECTION 11.12.(g) Agreements Required. – Monies may be disbursed from the Fund only in accordance with agreements entered into between EDPNC and a local government or a

1 government partnership. The agreement must include all of the performance criteria, remedies,
2 and other safeguards required to secure the assistance provided to ready the selectsite for a major
3 employer and must require EDPNC to recapture a proportionate amount of assistance provided
4 under this section for failure by a local government or government partnership to meet and
5 maintain the selectsite for availability for the purposes for which the assistance was provided.

6 **"SECTION 11.12.(h) Reporting.** – EDPNC shall file an annual report to the Department on
7 or before April 1 of each year. The annual report prepared will document the total amount of
8 grants awarded, matching funds required, activities to ready selectsites and associated costs, any
9 major employers locating at an improved or acquired selectsite, and the unallocated amount for
10 grants remaining in the Fund. The Department shall prepare and file on or before May 1 of each
11 year with the Senate Appropriations Committee on Agriculture, Natural, and Economic
12 Resources; the House of Representatives Appropriations Committee on Agriculture and Natural
13 and Economic Resources; the Joint Legislative Economic Development and Global Engagement
14 Oversight Committee; the Office of State Budget and Management; and the Fiscal Research
15 Division a consolidated report for the preceding fiscal year concerning the information required
16 by this section.

17 **"SECTION 11.12.(i) Program Guidelines.** – EDPNC shall develop guidelines related to the
18 administration of this program. At least 20 days before the effective date of any guidelines or
19 nontechnical amendments to the guidelines, EDPNC shall publish the proposed guidelines on its
20 website and provide notice to persons who have requested notice of proposed guidelines. In
21 addition, EDPNC must accept oral and written comments on the proposed guidelines and shall,
22 in its discretion, consider such comments before finalizing the guidelines during the 15 business
23 days beginning on the first day that EDPNC has completed these notifications. Guidelines
24 adopted under this section shall not be subject to the requirements of Article 2A of Chapter 150B
25 of the General Statutes."

26 **SECTION 2.** This act is effective when it becomes law and applies to appropriations
27 to, and unencumbered funds in, the North Carolina Selectsite Fund on or after that date.