

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025**

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**HOUSE BILL 616
Committee Substitute Favorable 4/29/25
Third Edition Engrossed 5/7/25**

Short Title: Megasites/Selectsites Program Revisions.

(Public)

Sponsors:

Referred to:

April 1, 2025

A BILL TO BE ENTITLED
AN ACT TO MODIFY THE MEGASITES AND SELECTSITES READINESS PROGRAMS.
The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 11.11 of S.L. 2022-74, as amended by Section 11.11 of S.L. 2023-134, reads as rewritten:

"SECTION 11.11.(a) Purpose. – It is in the best economic and developmental interests of the State to support the development of megasites 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 seven megasites for preferred development and marketing.
- (2) Assist local governments or a partnership of local governments in the acquisition of a newly identified or existing megasite.
- (3) Support local governments or a partnership of local governments to analyze, plan, install, or upgrade ~~public~~ infrastructure, including ~~publicly owned~~ water, gas, and sewer systems, transportation infrastructure, and the ~~electrical utility lines~~ electric infrastructure necessary to meet the needs of prospective employers for megasites.
- (4) Support local governments or a partnership of local governments to fund on-site preparation, including clearing, grading, or other related expenses for megasites.
- (4a) 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, assessments related to road and highway infrastructure to serve the site, and other assessments as needed.
- (5) Facilitate coordination between the economic development entities, the North Carolina Department of Environmental Quality, and the North Carolina Department of Transportation to expedite needs related to timely site development.

...

"SECTION 11.11.(c) Definitions. – The following definitions apply in this section:

...



- (4) Government partnership. – Either (i) a North Carolina nonprofit entity that is tax exempt under section 501(c)(3) or 501(c)(12) of the Internal Revenue Code in partnership with one or more local governments or (ii) a group of local governments.

...

"SECTION 11.11.(d) Allocation. – EDPNC shall allocate monies in the Fund on the following basis:

...

- (2) All other funds appropriated to the Fund for local government grants for the ~~acquisition of megasites determined pursuant to subdivision (1) of this subsection~~ purposes described in subsection (a) of this section. A grant for the acquisition of a megasite is limited to eighty-five percent (85%) of the lesser of the property's purchase price or tax value. The percentage actually provided in the grant shall be determined by EDPNC based on total development needs for the megasite, prior investment in the megasite by one or more local governments, the ability of one or more local governments to invest in the megasite, 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 megasite for which (i) one or more local governments have a binding option or offer to purchase and (ii) all basic due diligence must be complete, including, but not limited to, boundary surveys, title searches, State Historic Preservation Office reviews, and wetlands delineation.

...

"SECTION 11.11.(f) Agreements Required. – ~~Monies may be disbursed from the Fund previously appropriated for the Megasite Readiness Program shall be transferred in full to EDPNC when this act becomes law. Funds subsequently appropriated for the Program shall be transferred in full to EDPNC once such an act becomes law. EDPNC may use funds only in accordance with agreements that are (i) entered into between EDPNC and a local government or a government partnership and (ii) approved by the Economic Investment Committee established pursuant to G.S. 143B-437.54. The agreement must include all of the performance criteria, remedies, and other safeguards required to secure the assistance provided to ready the megasite for a major employer and must require EDPNC to recapture a proportionate amount of assistance provided under this section for failure by a local government or government partnership to meet and maintain the megasite for availability for the purposes for which the assistance was provided.~~

...."

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

"SECTION 11.12.(a) Funds appropriated by Section ~~41.4~~ 11.4(d)(1) 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,~~ April 1, 2025, shall be transferred to the North Carolina Selectsite Fund established in subsection (c) of this section to 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~~ for the purposes described in subdivisions (b)(2), (b)(3), (b)(4), and (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~~20 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, install, or upgrade ~~public~~ infrastructure, including ~~publicly owned~~ water, gas, and sewer systems; transportation infrastructure; and ~~the electrical utility lines~~ electric infrastructure 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 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, 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.(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 for engaging a national site selection firm through a competitive bid process to produce a report identifying and evaluating 15 selectsites for preferred development and marketing, of which seven must be less than 500 acres and of which an additional two must be less than 100 acres. Further unspent funds transferred pursuant to subsection (a) of this section shall be used for engaging a national site selection firm through a competitive bid process to produce a supplemental report identifying and evaluating up to five, and no less than three, additional selectsites from the initial disaster declared counties resulting from Tropical Storm Helene.
- (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,

1 title searches, State Historic Preservation Office reviews, and wetlands
2 delineation.

3 (3) Of the monies available in the fund, no more than \$150,000 shall be used
4 biennially for engaging a national site selection firm through a competitive
5 bid process to produce a report identifying and evaluating seven new
6 selectsites for preferred development and marketing, of which three must be
7 less than 500 acres and of which an additional two must be less than 100 acres.
8 Geographic diversity must be a priority consideration in the identification of
9 new sites beginning with the report due in 2026.

10 ...

11 "SECTION 11.12.(g) Agreements Required. – Monies ~~may be disbursed from the Fund~~
12 previously appropriated for the Selectsite Readiness Program shall be transferred in full to
13 EDPNC when this act becomes law. Funds subsequently appropriated for the Program shall be
14 transferred in full to EDPNC once such an act becomes law. EDPNC may use funds only in
15 accordance with agreements entered into between EDPNC and a local government or a
16 government partnership. The agreement must include all of the performance criteria, remedies,
17 and other safeguards required to secure the assistance provided to ready the selectsite for a major
18 employer and must require EDPNC to recapture a proportionate amount of assistance provided
19 under this section for failure by a local government or government partnership to meet and
20 maintain the selectsite for availability for the purposes for which the assistance was provided.

21"

22 SECTION 2. This act is effective when it becomes law.