

Job Development Investment Grant

The Job Development Investment Grant (JDIG) is a discretionary incentive capable of providing sustained annual grants to new and expanding businesses measured against a percentage of withholding taxes paid by new employees.

JDIG operates under an Economic Investment Committee (EIC), comprised of five members, the Secretary of Commerce, the Secretary of Revenue, the Director of the Office of State Budget and Management, and two private sector members appointed by the General Assembly.

The Committee is authorized to award up to 15 grants in a single grant year. These grants can result in payments to a business for up to 12 years. The total amount paid out in any one of those years cannot exceed \$15 million, meaning that the Committee has the ability to provide up to \$180 million in benefits to the 15 businesses over a 12-year period. State revenues from the project must exceed costs for a grant to be awarded.

In Tier 3 counties (least economically distressed), 25% of each grant is paid into a rural infrastructure fund to assist economic development in rural areas; in Tier 2 counties (somewhat economically distressed), 15% of each grant is paid into the fund.

A proposed project must meet a rigorous set of criteria. The Economic Investment Committee must find, for example, that the project will:

- Result in a net increase in employment in this State by the business.
- Benefit the people of the State by increasing the opportunities for employment and by strengthening the State's economy.
- Be consistent with the economic development goals of the State and of the area in which it is located.
- Be necessary for the completion of the project in the State.
- Be competitive with another state(s) or country.

A company applying for the JDIG also must meet certain State health insurance, wage standard, and workplace safety requirements.

The statute authorizes JDIG awards from 10% to 75% of withholdings for eligible positions. Similarly, the term of the grant may not exceed 12 years. Even with statutory requirements, the Committee has discretion in weighing factors to award JDIG projects and fix the amounts, terms and time periods of grants.

Statute requires that the JDIG agreement provide that the business must maintain operations at the project location, or at another approved site, for at least 150% of the term of the grant. Also, the agreement must include a claw-back provision to recapture all or part of the grant, at the Committee's discretion, if the business fails to remain at the site for the required years. The final Community Economic Development agreement must be reviewed and signed by the Attorney General.

For more information, visit <http://www.nccommerce.com/finance/incentives/jdig/>