

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 775

Short Title: Transformative Climate Communities. (Public)

Sponsors: Representatives Lofton, Harrison, and T. Brown (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

April 19, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO DIRECT THE DEPARTMENT OF ENVIRONMENTAL QUALITY STATE
3 ENERGY OFFICE TO FUND THE DEVELOPMENT AND IMPLEMENTATION OF
4 NEIGHBORHOOD-LEVEL TRANSFORMATIVE CLIMATE COMMUNITY PLANS
5 THAT INCLUDE MULTIPLE, COORDINATE GREENHOUSE GAS EMISSION
6 REDUCTION PROJECTS THAT PROVIDE LOCAL ECONOMIC, ENVIRONMENTAL,
7 AND HEALTH BENEFITS TO DISADVANTAGED COMMUNITIES.

8 The General Assembly of North Carolina enacts:

9 SECTION 1. This act shall be known as, and may be cited as, the "North Carolina
10 Transformative Climate Communities Act."

11 SECTION 2. Article 7 of Chapter 143B of the General Statutes is amended by adding
12 a new Part to read:

13 "Part 32A. North Carolina Transformative Climate Communities.

14 **§ 143B-344.45. Transformative Climate Communities Fund established; uses; priorities;**
15 **cost-share.**

16 (a) Fund Creation and Purpose. – The Transformative Climate Communities Fund is
17 established as a special revenue fund within the Department of Environmental Quality's State
18 Energy Office. The Fund provides grants to local governments statewide to help them achieve
19 their greenhouse reduction and sustainability goals through planning and implementation of clean
20 energy projects that provide local economic, environmental, and health benefits to disadvantaged
21 communities.

22 (b) Use of Funds. – Funds may be used to help communities with projects, including, but
23 not limited to, the following:

24 (1) The council shall award competitive grants to eligible entities through an
25 application process. An eligible entity, including, but not limited to, a
26 nonprofit organization, a community-based organization, a faith-based
27 organization, a coalition or association of nonprofit organizations, a
28 community development finance institution, a community development
29 corporation, a local agency, a joint powers authority, or a tribal government,
30 shall demonstrate multistakeholder partnerships with local agencies,
31 community-based organizations, workforce investment boards, and other
32 stakeholders, as appropriate. The council shall award grants for projects that
33 demonstrate community engagement in all phases.

34 (2) In awarding grants, the council may give priority to plans and projects that
35 cover areas that have a high proportion of census tracts identified as



1 disadvantaged communities and that focus on communities that are most
2 disadvantaged.

3 (3) The State Energy Office may award a grant over multiple years.

4 (4) In order to be eligible for funding under the program, a plan, and a project that
5 implements a plan, shall demonstrate that it will achieve a reduction in
6 emissions of greenhouse gases.

7 (5) The Department of Environmental Quality shall provide assistance in
8 performing outreach to disadvantaged communities and assessing the
9 environmental justice benefits of project awards.

10 (6) Projects shall maximize climate, public health, environmental, workforce, and
11 economic benefits.

12 (c) Additional Funding. – The State Energy Office and all funded entities shall endeavor
13 to identify additional public and private sources of funding to sustain and expand the program
14 and shall fund technical assistance providers to assist in application development and project
15 development and implementation.

16 (d) Grant Guidelines. – Before awarding funds under the program, the State Energy
17 Office shall develop guidelines and selection criteria for plan development and implementation
18 of the program. In adopting guidelines and selection criteria, the State Energy Office shall
19 consider comments, if any, from local governments, regional agencies, and other stakeholders.
20 The council shall conduct outreach to disadvantaged communities to encourage comments on the
21 draft guidelines and selection criteria from those communities. In adopting the guidelines, the
22 State Energy Office shall consider whether eligible plans and projects avoid economic
23 displacement of low-income disadvantaged community residents and businesses.

24 (e) Report. – The State Energy Office shall report on the commitment, disbursement, and
25 use of funds allocated from the Transformative Climate Communities Fund at the end of each
26 fiscal year. The report is due no later than September 1 and must be submitted to the Joint
27 Legislative Commission on Energy Policy and the Fiscal Research Division of the General
28 Assembly."

29 **SECTION 3.** The sum of five hundred thousand dollars (\$500,000) in nonrecurring
30 funds for the 2023-2024 fiscal year and the sum of seven hundred fifty thousand dollars
31 (\$750,000) in nonrecurring funds for the 2024-2025 fiscal year are appropriated from the General
32 Fund to the State Energy Office for the Transformative Climate Communities Fund established
33 by G.S. 143B-344.45, as enacted by Section 2 of this act, to be used for the purposes set forth
34 therein.

35 **SECTION 4.** Section 3 of this act becomes effective July 1, 2023. The remainder of
36 this act is effective when it becomes law.