



2008 Legislative Action in Community and Economic Development

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The General Assembly continued to pay close attention to the nation's growing credit and foreclosure crisis during this session. Although the 2008 legislative session was replete with policy interventions aimed at the foreclosure crisis, for the most part proposals expanded existing foreclosure prevention programs rather than starting new initiatives. In the end a wide range of foreclosure-related legislation was approved that consisted of a mix of immediate relief mechanisms and long-term preventive measures. North Carolina stands to receive more than \$50 million in federal funds for the purchase or rehabilitation of foreclosed homes under the Housing and Economic Recovery Act of 2008, but there was no state legislative initiative pertaining to that effort. Outside of the foreclosure arena, legislators provided little in the way of new economic and community development initiatives.

Foreclosure and Home Loss Prevention

The General Assembly enacted a number of measures to provide relief to homeowners facing foreclosure. The policies range from pre-foreclosure counseling and assistance to legal aid for homeowners defending themselves against foreclosure filings.

Mortgage Counseling Services and Mortgage Assistance

Starting in 2004 the General Assembly provided initial funding for a "Home Protection Pilot Program" administered by the North Carolina Housing Finance Agency (NCHFA) to assist homeowners facing foreclosure who had lost their jobs due to "changing economic conditions." Part XXI of the appropriations act, S.L. 2008-107 (H 2436), moves the program beyond its pilot stage, codifies it in new G.S. Section 122A-5.14, and provides \$3 million in recurring funds for the program. NCHFA will continue to administer the program by

1. managing a fund to provide assistance to workers facing foreclosure;
2. developing procedures by which property owners facing foreclosure may receive assistance from the program;

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3. providing loans to property owners (the pilot program offered zero-interest loans in amounts up to \$20,000 to keep a homebuyer's mortgage or mortgage-related loans current for up to eighteen months);
4. designating and funding nonprofit counseling agencies to assist in implementing the program and in negotiating with lenders on behalf of unemployed workers; and
5. developing "enhanced methods" of notifying workers of available foreclosure mitigation services, counseling agencies, and NCHFA loans.

At least two-thirds of the funds allocated to the program must be used to provide loans to North Carolina workers who have lost their jobs due to "changing economic conditions."

In addition to offering loans, the program offers its applicants temporary protection against foreclosure and related mortgage enforcement actions. For 120 days following the proper filing of an application to the program, applicants are protected from foreclosure and enforcement by lenders of many standard mortgage default rights. If, however, an application to the program is denied, the protection no longer applies with respect to that applicant. The 120-day protection extends to lender actions such as accelerating mortgage maturity, commencing foreclosure or other legal actions to enforce the mortgage obligation, taking possession of security for the mortgage, and accepting a deed in lieu of foreclosure. The grace period provides time for applicants to work with counseling agencies and negotiate with lenders to avoid foreclosure. NCHFA has been tasked with rule-making authority for the statutory program and, to expedite implementation, has received a partial exemption to the rule-making procedures of Article 2A of G.S. Chapter 150B.

In a separate initiative, S.L. 2008-107, as modified by S.L. 2008-226 (H 2623), directs the Commissioner of Banks (COB) to employ \$600,000 of funds available to the State Banking Commission in the 2008–09 fiscal year to make grants to nonprofit housing counseling agencies. The purpose of these grants is to provide counseling and related services to help homeowners avoid home loss and foreclosure. The grants may also be used to provide training for counselors.

Pre-foreclosure Notice for Subprime Loans

To complement its efforts to increase available counseling services, the General Assembly established a notification requirement to inform subprime borrowers facing foreclosure of the opportunity to receive counseling. At least forty-five days prior to filing a notice of hearing in a foreclosure proceeding, S.L. 2008-226 requires mortgage servicers (i.e., companies administering mortgage loans on behalf of mortgage lenders) to send written notice by mail to subprime borrowers facing foreclosure, informing them of the availability of counseling resources and providing contact information for at least one approved counseling agency assisting North Carolina borrowers. The notification must also report the past due amounts that have placed the subprime loan in default, enumerate the payments required to bring the loan current, provide contact information for agents of the mortgage lender and mortgage servicer who are "authorized to attempt to work with the borrower to avoid foreclosure," and list the contact information for the consumer complaint section of COB.

Within three days of mailing the pre-foreclosure notice described above, mortgage servicers must file information about the loan and pre-foreclosure notice with the Administrative Office of the Courts (AOC), which is tasked with establishing a database in conjunction with COB to track the information provided. The data is to be used exclusively for the State Home Foreclosure Prevention Project (see "State Home Foreclosure Prevention Project," below).

Foreclosure notices filed on or after November 15, 2008, must contain a certification that the pre-foreclosure notice to the borrower and the filing with AOC were provided as required. Subprime loans subject to these notification requirements are those that originated after January 1, 2005, but prior to December 31, 2007, and those meeting the definition of a “rate-spread” (i.e., high interest rate) home loan under G.S. 24-1.1F(a)(7) at interest rates set by the COB. The provisions of S.L. 2008-226 become effective on November 1, 2008, and expire October 31, 2010. Note, however, that the obligation on servicers to provide pre-foreclosure notifications to borrowers will not actually expire at that time, because an identical notice requirement appears in a nonexpiring mandate pursuant to S.L. 2008-228 (H 2463), discussed in “Licensing of Mortgage Servicers and Brokers,” below.

State Home Foreclosure Prevention Project

In S.L. 2008-226 the General Assembly directs COB to use \$400,000 of funds available to the State Banking Commission in the 2008–09 fiscal year to carry out the Emergency Home Foreclosure Reduction Program, a component of which is the State Home Foreclosure Prevention Project (hereinafter “Foreclosure Prevention Project”). As part of the Foreclosure Prevention Project, COB reviews information provided in the pre-foreclosure notice database (see “Pre-foreclosure Notices for Subprime Loans,” above) and seeks solutions to avoid foreclosures of subprime loans. In the event that the COB reasonably believes that further efforts by the Foreclosure Prevention Project could avoid foreclosure of a primary residence, COB is empowered to delay the earliest permitted filing date for foreclosure of that residence by up to thirty days. This delay, when combined with the forty-five-day waiting period originally established by mailing the pre-foreclosure notice, can provide up to seventy-five days during which a troubled homeowner can work with a lender to prevent foreclosure. The pre-foreclosure database established for the Foreclosure Prevention Project is to be used exclusively for this program. The database is not considered a public record, and access to the complete database is restricted to AOC and COB.

The emergency authority to delay a foreclosure filing provided by this act becomes effective November 1, 2008, and expires October 31, 2010.

Legal Aid for Foreclosure Defense and Home Loss Prevention

The General Assembly appropriated state funds for the specific purpose of providing legal aid to persons facing foreclosure. Section 6.9A of S.L. 2008-107 authorizes \$200,000 in recurring funds to the North Carolina State Bar for the provision of legal assistance to low-income consumers who are facing foreclosure and home loss. Eligible cases involve predatory mortgage lending, mortgage broker and loan services abuses, foreclosure defense, and other legal issues related to foreclosure and home loss. The funds are to be split evenly between two legal aid programs, the Land Loss Prevention Project and the Financial Protection Law Center.

Section 14.9 of S.L. 2008-107 also opens up, for the first time, an existing source of legal aid funding for foreclosure defense, by amending G.S. 7A-474.3(b) to add foreclosure defense and home loss prevention to the list of cases eligible for funds provided to legal aid organizations from court fees assessed on convicted defendants.

Regulation of Mortgage Brokers and Servicers

While the General Assembly took the emergency—and in some cases temporary—measures detailed above, other legislation established or expanded permanent regulation of mortgage brokers and servicers to encourage fair dealing in the mortgage lending business and require additional notifications to North Carolina consumers.

Mortgage Servicing Fee Notification and Broker Compensation

In 2007 the General Assembly enacted legislation to require mortgage servicers to notify borrowers of any fees assessed against them and to explain the fees clearly. This legislation also required servicers to notify a borrower within ten days in the event that a payment received from the borrower was not credited to the borrower's account. S.L. 2008-227 (H 2188) makes technical corrections to that legislation; clarifies that fee notifications must be mailed to borrowers within thirty days after assessing a fee; and adds some exceptions to the notification requirements, such as situations in which the borrower is already aware of the fee. The act also regulates mortgage broker fees for certain subprime loans. For "rate-spread" home loans defined under G.S. 24-1.1F, lenders are prohibited from providing, and brokers are prohibited from receiving, any compensation that adjusts based upon the terms of the loan. Commissions that adjust based on the size of the loan—as opposed to the terms of the loan—are permitted.

Licensing of Mortgage Servicers and Brokers

The General Assembly also enacted S.L. 2008-228 to bring mortgage servicers under the umbrella of regulatory and licensing requirements originally designed for mortgage lenders and brokers. Effective January 1, 2009, the legislation folds mortgage servicers into the existing licensing provisions of the Mortgage Lending Act (Article 19A of G.S. Chapter 53). This act tightens some existing license requirements, and it expands the bases under which COB may suspend the license of a mortgage lender, broker, or servicer. Other licensing requirements were designed specifically for servicers. For example, servicers are prohibited from forcing placement of excessive hazard, homeowner's, or flood insurance on mortgaged property. Additionally, at least forty-five days prior to initiating foreclosure, servicers must provide pre-foreclosure notice to delinquent borrowers containing identical information to the S.L. 2008-226 notice described in "Pre-foreclosure Notice for Subprime Loans," above; the important difference being that the pre-foreclosure notice under S.L. 2008-228 is required for all loans, not just subprime loans, and the authority, once effective on January 1, 2009, does not expire. The act also places a reporting requirement on servicers, obligating them, upon request by COB, to provide information on their servicing activities, including foreclosures commenced in North Carolina and details regarding workout arrangements for defaulted loans. Servicers are required to act in good faith to inform borrowers of the nature of any default or delinquency, and they have an affirmative obligation to negotiate with a borrower in default to attempt a loan workout or other resolution to the delinquency, subject to the servicer's duties and obligations under any relevant mortgage servicing contract.

Suspension of Foreclosure Proceedings for Material Violations of Law

With reports of illegal or abusive practices by brokers, lenders, and servicers permeating the news, the General Assembly empowered COB under S.L. 2008-228 to take action upon discovery of

illegal activities in mortgage lending. COB may, if there is evidence of a material violation of law in the origination or servicing of a loan being foreclosed, notify the appropriate clerk of superior court of the violation. The clerk must then suspend the relevant foreclosure proceedings for sixty days from the date of notice. Once the violation is cured, however, COB must notify the clerk that the foreclosure may proceed. Unlike COB's emergency authority to delay foreclosure filings by thirty days in connection with the Foreclosure Prevention Project (see "State Home Foreclosure Prevention Project," above), the sixty-day suspension authorized under S.L. 2008-228 becomes effective for foreclosure proceedings filed on or after January 1, 2009, and does not expire.

Tax and Grant Incentives

Job Development Investment Grants

The Job Development Investment Grant program provides grants to businesses to foster economic development in the state in accordance with criteria set forth in G.S. 143B-437.52 and by the Economic Investment Committee. The statutory maximum annual liability for grants under the program is \$15 million, but pursuant to S.L. 2008-147 (S 2075), the General Assembly increased the maximum amount for calendar year 2008 to \$25 million.

Extension and Expansion of Industry-Targeted Tax Credit Incentives

S.L. 2008-107 includes extensions and expansions for a number of state income tax credit incentive programs as described below. These modifications took effect when the bill became law on July 16, 2008, unless otherwise noted.

1. The Research and Development Tax Credit, set to expire on January 1, 2009, pursuant to G.S. 105-129.51(b), is extended to January 1, 2014.
2. The sunset of the Low-Income Housing Tax Credit pursuant to G.S. 105-129.45 is extended from January 1, 2010, to January 1, 2015.
3. The Mill Rehabilitation Tax Credit (Article 3H of G.S. Chapter 105) previously expired for all mill rehabilitation expenditures incurred on or after January 1, 2011, but S.L. 2008-107 extends the credit to include rehabilitation expenditures for any project for which an application for an "eligibility certification" is submitted to the State Historic Preservation Officer prior to January 1, 2011. These modifications are effective for taxable years beginning on or after January 1, 2008.
4. The sunset of the State Ports Tax Credit pursuant to G.S. 105-130.41(d) and 105-151.22(d) is extended from January 1, 2009, to January 1, 2014.
5. The sunset of the credit for qualifying expenses of a film production company pursuant to G.S. 105-130.47 and 105-151.29 is extended from January 1, 2010, to January 1, 2014. Additionally, this credit was expanded to include as qualifying expenses: (a) the cost of film production-related insurance coverage and (b) up to \$1 million dollars of compensation paid to an individual, such as an actor, for personal services with respect to a single production. These modifications are effective for taxable years beginning on or after January 1, 2008.

Sales and Use Tax Refund for Solar Electricity Materials Manufacturers

S.L. 2008-118 (H 2438) extends eligibility for a refund of sales and use taxes to manufacturers of “solar electricity generating materials” that make large investments in facilities in the state. The sales and use tax refund, codified at G.S. 105-164.14, permits the owner of an eligible facility to obtain a refund of sales and use taxes paid on certain qualified building materials, supplies, and equipment installed in the initial construction of the facility. Manufacturers of “solar electricity generating materials” qualify for the refund provided that they pay a weekly wage at least equal to 105 percent of the average weekly wage for all insured private employers in either the relevant county or the state, whichever is less.

Income Tax Deduction for Sale of Manufactured Home Community

Manufactured homes, also known as mobile homes, are one of the most prevalent forms of low-income housing in North Carolina. It is not uncommon for residents of manufactured homes to own the manufactured home in which they live but not the land on which it sits; rather, the homeowners pay rent to a landlord of a manufactured home community for the privilege of maintaining their home on a plot of land within the community. Unless the owner of a manufactured home also owns the land underneath the home, manufactured homes do not present the owner with any real opportunity for building equity in his or her home. The General Assembly enacted legislation designed to preserve more manufactured home communities and increase the opportunities for owners of manufactured homes to obtain some form of ownership over the land on which their homes sit. Section 28.27 of S.L. 2008-107 provides a state income tax deduction for owners of manufactured home communities who sell the land in a single sale to a group comprised of a majority of the leaseholders in the community or to a nonprofit representing such a group. The tax deduction, which is equal to 5 percent of the gross purchase price of the sale, is effective for taxable years beginning on or after January 1, 2008, and expires for taxable years beginning on or after January 1, 2015.

Development Finance

Special Assessments for Critical Infrastructure

For the purpose of financing critical infrastructure, S.L. 2008-165 (H 1770) permits cities and counties to impose special assessments on benefited property, subject to the consent of a percentage of the benefited property owners. The special assessments may be pledged, alone or in conjunction with other revenue sources, to the repayment of revenue bonds issued for the proposed infrastructure project. Critical infrastructure includes the following: sanitary sewer systems, storm sewers and flood control facilities, water systems, public transportation facilities, school facilities, streets, and sidewalks.

Rural Development

A lack of public wastewater and water system infrastructure is often faulted for inhibiting development in many rural counties. Since 1994 the North Carolina Rural Economic Development Center, Inc. (hereinafter Rural Center), has been providing water and wastewater infrastructure grants primarily through two programs: the Planning Grants Program, which provides local

governments with funding to undertake planning efforts for water and sewer investments, and the Supplemental Grants Program, which provides funding for making improvements to water and sewer systems. The General Assembly continued its support for these programs in Section 13.8 of S.L. 2008-107 by appropriating almost \$54 million to the Rural Center for the 2008–09 fiscal year. The Rural Center must use the appropriated funds to continue to provide planning grants and supplemental grants in a total amount of \$50 million. The General Assembly placed restrictions on both grant types similar to those instituted in the 2007 appropriations act. Planning grants are limited to \$40,000; supplemental grants are limited to \$500,000 per local government applicant and require a dollar-for-dollar local match. For local governments meeting certain criteria of distress, larger supplemental grants are available with lower matching requirements. Grants are awarded through a competitive process, and up to \$4 million may be awarded to natural gas line projects.

Section 13.9 of S.L. 2008-107 directs the Rural Center to provide grants in the total amount of \$4 million through its Rural Economic Transition Program, which was first established in the 2007 appropriations act. The current appropriation is to be used to make grants primarily for the economic development and revitalization of small towns, with priority going to those towns with populations of less than 10,000 and those located in tier-one development areas as defined in G.S. 143B-437.08. Eligible projects include building reuse and restoration projects leading to job or business creation; brownfield assessment and remediation projects leading to productive reuse; projects to support economic recovery and revitalization in small towns; and innovative local and regional economic development and agriculture diversification projects that spur business activity, job creation, or public or private investment.

Wine and Grape Growers

Section 13.6A of S.L. 2008-107 provides \$25,000 per quarter from the excise tax collected on fortified wine to the Department of Commerce. Those funds are to be allocated to the North Carolina Wine and Grape Growers Council for contracting research and development of viticultural and enological practices in North Carolina.

Economic Development Regulation

Multijurisdictional Industrial Parks

Industrial parks located in at least three contiguous counties and created pursuant to an inter-local agreement under G.S. 158-7.4 receive special treatment under G.S. 143B-437.08(h). All parcels of land within the multijurisdictional park, regardless of the county in which a specific parcel is located, receive a tier-one development designation, provided that at least one of the participating counties is a defined tier-one development area. This can result in a clear advantage for property located in such an industrial park, because the tier one designation qualifies the property for the most favorable tax treatment available under a series of state tax credit and grant programs. In order to qualify as a multijurisdictional park and receive the tier one designation, the park must have at least 250 developable acres in each county in which it is located. If a multijurisdictional park is successful over time, however, the land in these parks will be transferred to new corporate owners who will develop the property for private uses. At some point these land transfers to new owners may cause the remaining park acreage in a participating county to drop below the

required 250 acre threshold, thereby casting doubt on the tier designation assigned to the remaining parcels in the park. The General Assembly settled the question in S.L. 2008-147 by clarifying that a transfer of acreage to a new owner who develops the property for industrial or commercial uses does not affect an industrial park's eligibility to receive the lowest tier designation among the participating counties.

Certified Retirement Communities

S.L. 2008-188 (S 1627) creates Article 10, Part 2K of G.S. Chapter 143B, called the "North Carolina Certified Retirement Community Program." The purpose of the program is to assist communities in marketing themselves as retirement locations and developing themselves as destinations that would be attractive to retired persons. When the program becomes effective on July 1, 2010, it will be part of the 21st Century Communities Program of the Department of Commerce. The act directs the Department of Commerce to establish criteria for obtaining certification as a North Carolina certified retirement community, and it charges the 21st Century Communities Program with administering the program for qualifying communities and providing assistance related to the designation, such as marketing. Although the program does not become fully effective until 2010, a pilot program with the City of Lumberton became effective October 1, 2008.

Disclosures during Incentives Negotiations

H 2512, which would have required businesses seeking incentives to make certain disclosures under oath, failed to make it out of the House Finance Committee. Under the bill a business would have been required to disclose information about other industrial sites it was considering, incentives being offered by other government units or agencies, and incentives for which the business had applied at each site under consideration. Had the bill become law, the disclosures would have been required for businesses applying for state incentive programs such as the Job Development Investment Grants Program and the One North Carolina Fund.

Workforce Development

Section 8.7(a) of S.L. 2008-107 consolidates several community college workforce development programs (the Customized Industry Training Program, the New and Expanding Industry Training Program, and the Focused Industry Training Program) into a single program dubbed the Customized Training Program. Funds allocated to the program will not revert at the end of a fiscal year, but rather will remain available to the program until expended. For a business to qualify to receive assistance under the consolidated program, the requirements will be identical to the requirements under the original Customized Industry Training Program, but with one additional requirement: the business must be creating jobs, expanding an existing workforce, or enhancing the productivity and profitability of its operations within North Carolina.

Affordable Housing Development

Housing Trust Fund and Housing for Disabled Persons

Section 6.9A of S.L. 2008-107 authorizes an additional \$2 million in recurring funds for the North Carolina Housing Trust Fund (hereinafter, "Trust Fund"), a state-funded housing resource administered by the North Carolina Housing Finance Agency for the purpose of providing affordable housing to low-income citizens. The additional amount brings the annual recurring appropriation for the Trust Fund to \$10 million.

In the same section of the act, the General Assembly provides a one-time infusion of \$7 million to the Trust Fund for the provision of additional independent and supportive-living apartments for persons with disabilities. Additionally, the act provides \$1 million in recurring funds to the Department of Health and Human Services for operating cost subsidies for independent and supportive-living apartments for individuals with disabilities.

Property Tax Assessment for Low-Income Housing Tax Credit Developments

Housing owned by nonprofit corporations for the benefit of low- and moderate-income households is exempt from property tax under North Carolina law (G.S. 105-278.6), but that benefit is not available for affordable housing owned by business partnerships and limited liability corporations subsidized with federal low-income housing tax credits ("LIHTC"). The General Assembly did, however, take action to ease the property tax burden on LIHTC properties in S.L. 2008-146 (S 1878). Effective for taxable years beginning on or after January 1, 2009, the law bestows a special status to low-income housing developments which have received an LIHTC allocation from NCHFA. Assessors must use the income method of valuation for such properties, and they must consider the rent restrictions that apply to a property in determining the income attributable to it. Assessors may not consider LIHTC, nor state low-income housing tax credits received pursuant to G.S. 105-129.42, as income. Prior to enactment, assessors would make income determinations and valuations for these properties based upon rents available at market rates, typically leading to property valuations not reflective of the actual income produced. Some housing advocates expect that the change will result in lower property taxes and improved margins for operating and maintaining these properties.

State Low-Income Housing Tax Credit Extended

As already stated above in "Extension and Expansion of Industry-Targeted Tax Credit Incentives," S.L. 2008-107 extends the state's low-income housing tax credit sunset pursuant to G.S. 105-129.45 from January 1, 2010, to January 1, 2015.

Community Development

Community Development Block Grant Allocations

Section 13.5(a) of S.L. 2008-107 allocates \$45 million in community development block grants for the 2009 program year. The money will be allocated in nearly the same proportions as in 2008, with the exception of \$500,000 that was removed from each of the community revitalization and

the housing development program categories. The resulting combined \$1 million was reallocated to the economic development category. Table 1 shows the final allocation for the 2009 program year.

Table 1: 2009 Community Development Block Grant Allocations

Community Development Block Grant Program Category	Amount Allocated (\$)	Notes
State administration	1,000,000	
Urgent needs and contingency	1,000,000	
Scattered site housing	13,200,000	
Economic development	8,710,000	This is \$1 million more than in 2008.
Small business/entrepreneurship	1,000,000	
Community revitalization	13,000,000	This is \$500,000 less than in 2008.
State technical assistance	450,000	
Housing development	1,500,000	This is \$500,000 less than in 2008.
Infrastructure	5,140,000	

Cleanup of Abandoned Manufactured Homes

S.L. 2008-136 (H 1134) creates a program to assist counties with planning and managing the identification, deconstruction, recycling, and disposal of abandoned manufactured homes. For counties adopting and implementing a management plan under the act, guidelines for the disposal process are established. The process includes notification and hearing rights for owners of abandoned manufactured homes. In the event that an owner fails to dispose of an abandoned manufactured home after notice and a hearing, a participating county may enter the property to remove and dispose of the abandoned manufactured home. If the owner of the manufactured home is not the owner of the land on which the home is located, then the county may order the land owner to permit entry onto the land for the purpose of carrying out removal and disposal of the manufactured home. A county is then permitted to seek reimbursement from the owner of the manufactured home for the county's unrecovered costs related to the removal and disposal, and it has authority to place liens on the manufactured home owner's property in the county, if any.

The process described above appears to be new, supplemental authority for local governments to manage abandoned manufactured homes without supplanting existing authority. The act is not to be construed to change or limit the existing authority of a county or a municipality to enforce any existing laws or of any person to abate a nuisance, nor does it limit county or municipal authority under the statutes governing planning and regulation of development.

Grants to reimburse counties for expenses incurred under the program are made available out of the Solid Waste Management Trust Fund by application to the Department of Environment and Natural Resources (DENR). Grants may not exceed \$1,000 for each abandoned manufactured home disposed through the program, but a matching grant for costs above \$1,000 per unit may be available to counties designated as tier-one or tier-two development areas. Additionally, to encourage development of management plans, a county in a tier-one or tier-two development area may request a planning grant of up to \$2,500 out of the Solid Waste Management Trust Fund.

DENR is authorized to use up to \$1 million annually from the Solid Waste Management Trust Fund for grants made pursuant to this program. The Management of Abandoned Manufactured Homes Act is codified as Article 9, Part 2F of G.S. Chapter 130A, is effective July 1, 2009, and expires October 1, 2023.

Expanded Health Care for Children (NC Kids' Care)

NC Kids' Care, a health care assistance program implemented by Section 10.12 of S.L. 2008-107, bears mentioning briefly here. Although it is not a community development program targeted to distressed communities, it will have a direct impact on the health care needs of many children living in such communities. NC Kids' Care provides health insurance coverage to children in families with incomes above 200 percent and not more than 250 percent of the federal poverty level. This amounts to an expansion of eligibility for the Health Insurance Program for Children established under Article 2, Part 8 of G.S. Chapter 108A, which provides coverage for children in families with incomes between 100 percent and 200 percent of the federal poverty level.

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