

April 21, 2005

**H 1473. CLAWBACK FAILED INCENTIVES. TO PROVIDE FOR PUBLICATION, MONITORING, AND REPORTING ON ECONOMIC DEVELOPMENT INCENTIVE CLAWBACKS AND TO PROVIDE FOR FIRST SOURCE HIRING AGREEMENTS FOR INCENTIVE GRANTS AND LOANS.** Enacts new 143B-435.1 to require that the Dep't of Commerce catalog all clawbacks (a requirement that economic development incentives be returned if business fails to fulfill responsibilities) in State and federal programs administered by Dep't and report clawbacks to the Revenue Laws Study Committee by April 1 and October 1 of each year. Enacts new GS 143B-435.2 to require that in order to be eligible for an economic development grant or loan under GS Chapter 143B, Article 10, or the One North Carolina Industrial Recruitment Competitive Fund, a business must enter into a first source hiring contract to use the State Employment Security Comm'n and any cooperating local agency as its first source for recruitment and referral of applicants for new and replacement employment associated with the grant or loan. Requires that the business allow the agency three days to refer applicants and interview and consider qualified referrals before interviewing other candidates, but provides that three-day period may be waived in the case of an emergency. Secretary of Commerce may waive first source hiring requirement for projects in enterprise tiers one and two and in areas of "especially severe" economic distress. Enacts new GS 105-129.6(b)(8) and (9) to require that the Dep't of Revenue annually publish: (1) the number and amount of credits forfeited under GS 105-129.4(d) (forfeiture in specified cases of tax credits allowed under GS Chapter 105, Article 3A, "Tax Incentives For Businesses"), and the reason for the forfeiture; and (2) the number and amount of assessments for credits erroneously claimed under Article 3A that are not included in (1).

**Intro. by Coates, Cole, Luebke.**

Ref. to Commerce

GS 105, 143B