GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2011

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SENATE BILL 489 PROPOSED COMMITTEE SUBSTITUTE S489-PCS35249-RB-33

Short Title:	Effectiveness of Job Creation Programs.	(Public)
Sponsors:		
Referred to:		
	April 4, 2011	
	A BILL TO BE ENTITLED	
AN ACT	TO BETTER ENABLE LEGISLATIVE EVALUATION AND	ONGOING
ASSESSMENT OF THE STATE'S ECONOMIC DEVELOPMENT PROGRAMS AND		
THEIR II	MPACT ON JOB CREATION.	
The General	Assembly of North Carolina enacts:	
S	ECTION 1.(a) G.S. 143B-437.07 reads as rewritten:	
"§ 143B-437	7.07. Economic development grant reporting.	
<u>(a)</u> <u>R</u>	<u>leport. – The Department of Commerce must publish on or before Ma</u>	rch 1 of each
year the following information, information required by this subsection, itemized by business		
entity, for all grant programs administered by the Department that disbursed or awarded grant		
monies to businesses during the previous calendar year: for each business or joint private		
venture to which the State has, in whole or in part, granted one or more economic development		
incentives during the previous five calendar years. The Department must provide the General		
-	ith updated supplemental information consistent with this subsection of	
	form and manner requested by the General Assembly. The information	in the report
	all of the following: The amount of grant manies awarded during the provious week.	
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(3	entities that received grant monies during the previous year.	s to ousiness
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(5)	previous year as a result of a grant.	a during the
(6		the previous
(0	year from all economic development incentive programs admini	
	Department.	stered by the
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(,	failure to comply with the grant agreement or applicable law.	rous your ror
<u>(1</u>		or title.
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<u>(3</u>		the business
<u> (2</u>	recipient, or recipients if a joint venture, and the physical locati	
	receiving the incentive. If the physical location of the site is und	
	the name of the county in which the site will be located	



- **General Assembly Of North Carolina** Session 2011 The development tier designation of the county in which the site is located 1 (4) 2 on the date the incentive is awarded. 3 The NAICS six-digit code and NAICS category of business receiving the <u>(5)</u> 4 incentive. The term 'NAICS' has the same meaning as defined in 5 G.S. 105-164.3. The sources and dollar value of eligible State incentives by program name. 6 <u>(6)</u> 7 The sources and dollar value of local government funds provided by any (7) 8 locality and the nature of the local funding. Examples of the nature of local 9 funding include cash, fee-waivers, in-kind services, and donation of land, buildings, or other assets. 10 11 The intended use of the incentive by any category or categories to which (8) State law restricts or limits uses of incentive funds. If the use of the incentive 12 13 funds is not restricted, then the intended purpose of the funds. The amount of incentive monies disbursed taken during the period. 14 (9) The amount of potential future liability under the applicable incentive 15 <u>(10)</u> 16 program. 17 The number, type, and wage level of jobs required to be created or retained (11)to receive a disbursement of incentive monies. 18 19 The actual full-time equivalent jobs employed by the recipient during the (12)20 period. 21 <u>(13)</u> The projected cost per job created or retained, including State and local 22 funds. 23 Any amount recaptured from the business entity during the period for failure (14)24 to satisfy the terms of the grant agreement. 25 Online Posting. – The Department of Commerce must post on its Internet Web site a (b) 26 summary of the report compiled in subsection (a) of this section. The summary report must include the information required by subdivisions (2), (9), (11), and (12) of subsection (a) of this 27 28 section. 29 Economic Development Incentive. – An economic development incentive includes (c) 30 any grant program administered by the Department of Commerce that disburses or awards monies to businesses. Examples of these grant programs include the Job Development 31 32 Investment Grant Program, the Job Maintenance and Capital Development Fund, One North
 - (c) Economic Development Incentive. An economic development incentive includes any grant program administered by the Department of Commerce that disburses or awards monies to businesses. Examples of these grant programs include the Job Development Investment Grant Program, the Job Maintenance and Capital Development Fund, One North Carolina Fund, and the Industrial Development Fund, including the Utility Account. The State also incents economic development through the use of tax expenditures in the form of tax credits and refunds. The Department of Revenue must report annually on these statutory economic development incentives, as required under G.S. 105-256."

SECTION 1.(b) Notwithstanding G.S. 143B-437.07, as amended by this act, the Department of Commerce is not required to include information in its annual report relating to economic development incentives provided by local governments prior to July 1, 2011.

SECTION 2.(a) The title of Article 12L of Chapter 120 of the General Statutes reads as rewritten:

"Article 12L.

Revenue Laws Finance and Economic Development Study Committee."

SECTION 2.(b) G.S. 120-70.105 reads as rewritten:

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"§ 120-70.105. Creation and membership of the Revenue Laws Finance and Economic Development Study Committee.

- (a) Membership. The Revenue Laws Finance and Economic Development Study Committee is established. The Committee consists of 16-20 members as follows:
 - (1) <u>Eight Ten members appointed by the President Pro Tempore of the Senate;</u> the persons appointed may be members of the Senate or public members.

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- (2) <u>Eight Ten</u> members appointed by the Speaker of the House of Representatives; the persons appointed may be members of the House of Representatives or public members.
- (b) Terms. Terms on the Committee are for two years and begin on January 15 of each odd-numbered year, except the terms of the initial members, which begin on appointment. Legislative members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until a successor is appointed. A vacancy shall be filled within 30 days by the officer who made the original appointment."

SECTION 2.(c) G.S. 120-70.106 reads as rewritten:

"§ 120-70.106. Purpose and powers of Committee.

- (a) The Revenue LawsFinance and Economic Development Study Committee may:
 - (1) Study the revenue laws of North Carolina and the administration of those laws.
 - (2) Review the State's revenue laws to determine which laws need clarification, technical amendment, repeal, or other change to make the laws concise, intelligible, easy to administer, and equitable.
 - (3) Call upon the Department of Revenue to cooperate with it in the study of the revenue laws.
 - (4) Analyze the economic development programs supported by the State and the effectiveness of those programs.
 - (5) Assess the performance of economic development programs, according to criteria established by the Committee, and the entities that implement those programs.
 - (6) Report to the General Assembly at the beginning of each regular session concerning its determinations of needed changes in the State's revenue laws.laws and economic development programs.

These powers, which are enumerated by way of illustration, shall be liberally construed to provide for the maximum review by the Committee of all revenue law <u>and economic development</u> matters in this State.

- (b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee. When a recommendation of the Committee, if enacted, would result in an increase or decrease in State revenues, the report of the Committee must include an estimate of the amount of the increase or decrease.
- (c) The Revenue Laws Study Committee must review the effect Article 42 of Chapter 66 of the General Statutes, as enacted by S.L. 2006-151, has on the issues listed in this section to determine if any changes to the law are needed:
 - (1) Competition in video programming services.
 - (2) The number of cable service subscribers, the price of cable service by service tier, and the technology used to deliver the service.
 - (3) The deployment of broadband in the State.

The Committee must review the impact of this Article on these issues every two years and report its findings to the North Carolina General Assembly. The Committee must make its first report to the 2008 Session of the North Carolina General Assembly."

SECTION 2.(d) G.S. 120-70.107 reads as rewritten:

"§ 120-70.107. Organization of Committee.

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- The President Pro Tempore of the Senate and the Speaker of the House of (a) Representatives shall each designate a cochair of the Revenue Laws-Finance and Economic Development Study Committee. The Committee shall meet upon the joint call of the cochairs.
- A quorum of the Committee is nine-11 members. No action may be taken except by a majority vote at a meeting at which a quorum is present. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.
- The Committee shall be funded by the Legislative Services Commission from appropriations made to the General Assembly for that purpose. Members of the Committee receive subsistence and travel expenses as provided in G.S. 120-3.1 and G.S. 138-5. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. Upon approval of the Legislative Services Commission, the Legislative Services Officer shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee."

SECTION 3. This act is effective when it becomes law.