

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE BILL 2512

Short Title: Economic Incentives Disclosure And Compact.

(Public)

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Sponsors: Representatives Gibson; Frye and Weiss.

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Referred to: Finance.

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May 26, 2008

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE BUSINESSES SEEKING ECONOMIC DEVELOPMENT  
2 INCENTIVES TO DISCLOSE INCENTIVES OFFERS FROM OTHER  
3 JURISDICTIONS AND TO AUTHORIZE THE STATE TO WORK WITH  
4 OTHER INTERESTED PARTIES ON THE DEVELOPMENT OF A MODEL  
5 AGREEMENT LIMITING THE USE OF INCENTIVES.  
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7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Part 2 of Article 10 of Chapter 143B of the General Statutes is  
9 amended by adding a new section to read:

10 "**§ 143B-435.2. Disclosure required.**

11 (a) Findings. – It is the policy of the State to make wise and judicious use of its  
12 resources with regard to economic development. Economic research has found that  
13 asymmetrical information can distort markets and create economic inefficiencies. As  
14 such, the State's objectives can more easily be achieved when the State has adequate  
15 information in order to determine the appropriateness of the use of incentives in a  
16 particular case.

17 (b) Disclosure Required. – When a business makes an application under one of  
18 the programs listed in subsection (c) of this section, the business shall disclose all of the  
19 information listed in this section. The business shall make the disclosure under oath on a  
20 form supplied by the Department of Commerce. The business shall update the  
21 disclosure when new information becomes available up until the time the Department  
22 has made a final decision on the application. The requirements of this section are in  
23 addition to any other disclosure requirement related to a specific program or general  
24 law. The disclosure statements are public records governed by Chapter 132 of the  
25 General Statutes and any applicable provisions of the General Statutes protecting  
26 confidential information. The business shall disclose the following information:

- 27 (1) Other sites, including sites outside of the State, that the business is  
28 considering for the location or expansion of the business or industrial  
29 project for which an application is made.

- 1           (2)    The nature and value of any economic development incentives that are  
2           offered by a unit of government or agency or instrumentality thereof  
3           with respect to each site that is under consideration.
- 4           (3)    The nature and value of any economic development incentives for  
5           which the business is eligible by operation of law with respect to each  
6           site that is under consideration.
- 7           (4)    The nature and value of any economic development incentives for  
8           which the business has applied with respect to each site that is under  
9           consideration.
- 10       (c)    This section applies to applications for the following programs:
- 11           (1)    The Site Infrastructure Development Fund established under  
12           G.S. 143B-437.02.
- 13           (2)    The Job Maintenance and Capital Development Fund established  
14           under G.S. 143B-437.11.
- 15           (3)    The Job Development Investment Grant Program established under  
16           Part 2G of this Article.
- 17           (4)    The One North Carolina Fund established under Part 2H of this  
18           Article, but not including the One North Carolina Small Business  
19           Program established under Part 2I of this Article."

20       **SECTION 2.** The General Assembly makes the following findings:

- 21           (1)    In the current environment, economic development incentives are used  
22           to advance the public purposes of creating jobs, diversifying the State's  
23           economy, increasing the State and local tax bases, and increasing net  
24           State and local revenues.
- 25           (2)    Economic development incentives may involve certain inefficiencies  
26           in some cases.
- 27           (3)    The best interests of the State lie in changing the competitive  
28           environment so that economic development incentives play less of a  
29           role in addressing the State's needs with respect to economic  
30           development.
- 31           (4)    The State has limited power to change the competitive environment on  
32           its own and its best option for changing that environment lies in  
33           cooperation with other jurisdictions.

34       **SECTION 3.** It is the intent of the General Assembly that the State explore  
35       options for multijurisdiction agreements that would limit the use of economic  
36       development incentives. The State shall work with other interested parties for the  
37       development of a model agreement limiting the use of incentives. This section does not  
38       authorize any statutory changes absent further action by the General Assembly.

39       **SECTION 4.** This act is effective when it becomes law and applies to  
40       applications made on or after that date.