

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2013

H.B. 791  
Apr 10, 2013  
HOUSE PRINCIPAL CLERK

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HOUSE DRH70275-MC-171 (03/27)

Short Title: Incentives Study Bill. (Public)

Sponsors: Representatives Catlin, Hager, Millis, and Wells (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO REQUIRE THE JOINT LEGISLATIVE ECONOMIC DEVELOPMENT AND  
3 GLOBAL ENGAGEMENT OVERSIGHT COMMISSION TO COMPREHENSIVELY  
4 EVALUATE INCENTIVES OFFERED FOR ECONOMIC DEVELOPMENT  
5 PURPOSES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** The Joint Legislative Economic Development and Global  
8 Engagement Oversight Committee shall study incentives offered by State and local units of  
9 government for purposes of evaluating the cost, need, benefit, and efficacy of the offered  
10 incentives. The study shall examine at least all of the following:

- 11 (1) Research and determine the cost-to-benefit ratio of allocated incentives,  
12 including economic returns on investment, actual jobs created, cost to the  
13 unit of government per job created, and tax revenues created.
- 14 (2) Research and evaluate alternative investments such as the economic and job  
15 creation benefit of using economic development funds for infrastructure,  
16 education, tax reduction, or some combination thereof.
- 17 (3) Research and understand how businesses seek and obtain government  
18 incentives, including motivation, expectations, corporate strategies, the role  
19 and compensation of site selection consultants, and the use of alternative  
20 extraterritorial sites as leverage to increase State and local economic  
21 incentive offerings.
- 22 (4) Research and evaluate the effect of disallowing economic development  
23 initiatives as a corporate recruiting tool, including analyzing states that have  
24 opted not to use revenue sources for economic development programs.
- 25 (5) Evaluate other issues related to economic development, including the  
26 following:
- 27 a. The need for greater dissemination of information to and  
28 involvement by the public regarding the use of funds for economic  
29 development.
- 30 b. The need for contractual requirements to secure performance by  
31 recipients of economic development funds.
- 32 c. The use of economic development incentives by other states and how  
33 those incentives compare to incentives offered by State and local  
34 units of government in North Carolina.



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- 1                   d.     The constitutionality of allocating funds derived from taxes paid by  
2                   businesses to competitors of those businesses for economic  
3                   development purposes.  
4                   e.     Any other issue determined by the Committee to be relevant.

5                   **SECTION 2.** The Joint Legislative Economic Development and Global  
6 Engagement Oversight Committee shall report its findings and any recommendations,  
7 including any legislative recommendations, to the 2013 General Assembly when it reconvenes  
8 in 2014.