

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

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HOUSE BILL 791

Short Title: Incentives Study Bill. (Public)

Sponsors: Representatives Catlin, Hager, Millis, and Wells (Primary Sponsors).
For a complete list of Sponsors, refer to the North Carolina General Assembly Web Site.

Referred to: Rules, Calendar, and Operations of the House.

April 11, 2013

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

The General Assembly of North Carolina enacts:

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

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



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.