

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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HOUSE DRH60482-MC-200 (3/3)

Short Title: Economic Incentives Disclosure And Compact.

(Public)

Sponsors: Representative Gibson.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE BUSINESSES SEEKING ECONOMIC DEVELOPMENT  
INCENTIVES TO DISCLOSE INCENTIVES OFFERS FROM OTHER  
JURISDICTIONS AND TO AUTHORIZE THE STATE TO WORK WITH  
OTHER INTERESTED PARTIES ON THE DEVELOPMENT OF A MODEL  
AGREEMENT LIMITING THE USE OF INCENTIVES.

The General Assembly of North Carolina enacts:

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

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

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

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

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

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

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

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

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