

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB2030**

**Bill Subtitle: TO CREATE THE ARKANSAS ECONOMIC INCENTIVE TRANSPARENCY ACT; AND TO REQUIRE REPORTING OF INFORMATION CONCERNING THE ECONOMIC INCENTIVES OFFERED BY THE STATE.**

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### **Basic Change :**

**Sponsor: Representative Sabin**

HB2030 creates the Arkansas Economic Incentive Transparency Act. This proposal would require the Arkansas Economic Development Commission (AEDC) to publish various incentive program and project reports on their website related to economic incentives received by companies in Arkansas. These reports will contain extensive information regarding all economic development incentive programs provided by the state. The reports will also identify each economic development incentive project for which a financial incentive agreement was signed and contain annual and cumulative data for the project. The report shall include information regarding the Arkansas county where the project was conducted and report information containing the five-year percentage of growth at the county, state, and federal levels. The reports will contain information for each unsuccessful economic development project during the fiscal year.

Specifically, the reports will contain information related to the type of project; annual cost of the various programs; any clawback terms; type of projects; projected and realized job creation including the number of employees and average hourly wages; projected and realized project investment; projected and realized cost-benefit ratio for the project; and detailed information for those project that are deemed to be unsuccessful.

These reports are to be made available beginning with the 2018 fiscal year. The reports shall be published and retained on AEDC's website each fiscal year until ten (10) fiscal years are available, and then continued to be retained for at least ten (10) fiscal years.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

The reports are intended to assist citizens and members of the General Assembly in overseeing the operation and effectiveness of economic development incentives in Arkansas.

### **Resources Required :**

None.

### **Time Required :**

None.

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**Procedural Changes :**

None.

**Other Comments :**

None.

**Legal Analysis :**

HB2030 would require reporting of information concerning the economic incentives offered by the State of Arkansas. "Economic development incentive project" is defined as a project subject to a financial incentive agreement. This bill would also require the Arkansas Economic Development Commission (AEDC) to create a detailed report containing information for each economic development incentive program provided by the state during the fiscal year for which the report is created.