

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4645-02
Bill No.: SB 1249
Subject: Economic Development; Contracts and Contractors.
Type: Original
Date: April 8, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development (DED)** state the bill imposes some additional duties on DED with regard to capturing information on tax credits and grants. DED would also be required to do a report to the President Pro tem of the Senate and the Speaker of the House.

DED feels changes can be incorporated into existing programs and the report can be prepared from information already gathered. No costs are anticipated at this time. DED states that if these items require more work than anticipated, a budget request could be submitted in the future.

Officials from the **Department of Revenue (DOR)** state this proposal requires additional information regarding the Department of Economic Development contracts for financial assistance, including tax credits. DOR assumes the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (6 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (6 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal requires additional information when the Department of Economic Development (DED) enters into an agreement with a party to provide grants, loans, tax credits or other

financial assistance to the party through a program administered by DED.

Any proceeds from an economic incentive that are returned to the Department of Economic Development must be used for worker training and re-training programs administered by the division of workforce development.

The Department of Economic Development must prepare an annual report to the President pro tem of the Senate and the Speaker of the House of Representatives that contains certain information about the economic incentives administered in the past year.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Department of Revenue



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Acting Director
April 8, 2002