

## HB 1865 -- Due Diligence for Economic Development Incentives

Sponsor: Barnes

This bill requires a political subdivision to hold a public hearing on the issuance of any bond that has a pledge of future appropriations securing the bond's debt service before issuing the bond. Notice of the hearing must be published once a week for two consecutive weeks in a newspaper of general circulation in the county. The last notice must not be less than 10 days before the hearing and must indicate that the issuance of the bond could have an adverse effect on the entity's bond rating, credit rating, and cost of future borrowing and that a successful bond may have a positive impact on the community. The hearing must be at a regularly scheduled meeting of the governing body and must allow public testimony. These provisions cannot apply to the refinancing of current indebtedness.

The Department of Economic Development must require applicants for economic development assistance to provide third-party verification of financial information when it is submitted to the department and may require key officers of any start-up company who is applying for assistance to pay the fees for any background check.

The department must share all information it has about a company seeking economic development incentives with all local governments and economic development officials competing for the company's business. Local governments and economic development officials must also share all negative information they receive about a company.

The department must develop a five-star system to apprise local governments of the department's opinion on proposals for economic development incentives that combine local and state resources.