

Legislative Post Audit Economic Development Sub-Committee
Legislative Post Audit Conference Room
800 SW Jackson Street, Ste. 1200
4:30 – 5:30 pm
March 4, 2020

Call to Order

The meeting was called to order by Chair Lynn at 4:44 p.m. in LPA Conference Room #1. Committee members present:

Senator Julia Lynn, Chair
Representative Kristey Williams
Representative Jim Gartner

Consideration of Economic Development Incentive Inventory

Sen Lynn explained the purpose of this initial meeting is to prioritize which incentives staff should evaluate.

Kristen Rottinghaus, audit manager explained the original bill (2019 HB 2223), and the types of incentives the bill included. Prior to the meeting, LPA staff identified 40 economic development incentives eligible to be evaluated. Kristen explained that LPA would like the sub-committee to prioritize which incentives staff should evaluate during the first 3-year cycle.

Rep. Williams asked how much additional funding the division might need to do this work. Justin Stowe explained that the Post Audit Committee has already approved funding for two staff positions to do this work. LPA also may contract out for some evaluation work. Going forward, LPA should be able to perform the evaluations with its current resources for at least the first few years.

LPA staff estimated they could evaluate 10-15 incentives on a 3-year cycle. Initially staff proposed including 23 incentives as candidates for evaluation during the first 3-year cycle. Staff proposed excluding 17 incentives for further consideration in this first 3-year cycle, for a variety of reasons. These included incentives not clearly related to economic development, an incentive too new to evaluate, and two incentives that could change significantly in the near future. These 17 incentives would be re-considered for the subsequent 3-year cycle.

Sub-committee members discussed focusing on “business” incentives and those that are state-funded.

Representative Williams made a motion to make the following adjustments to the list proposed by staff. Representative Gartner seconded, and the motion carried.

Eliminate from consideration for the first 3-year cycle: Incentives #7, #8, #12, #13, #14, #15, #16, #17, #18, #19, and #21.

Add to consideration for the first 3-year cycle: Incentives #24 and #40.

The sub-committee recommended STAR Bonds, PEAK, HPIP, and the Angel Investor tax credit as a priority for staff to evaluate.

The list of evaluations identified by number is attached.

Rep. Williams asked for additional information on the Abandoned Well Plugging tax credit. Rep. Gartner specifically asked for information regarding changes to the program. Staff said they would follow up with agency officials to collect this information and report back to the subcommittee at its next meeting.

Discuss next meeting

Kristen Rottinghaus discussed timelines and proposed meeting dates. The subcommittee agreed to meet March 30, same time and location. This meeting will be to identify the specific 10-15 programs for the first 3-year cycle of evaluation.

Adjournment

The meeting adjourned at 5:32 p.m.



4/8/2020

Nicole Blanchett, Secretary
Legislative Post Audit Committee

date

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