**A** **BILL**

TO AMEND CHAPTER 2, TITLE 12 OF THE 1976 CODE, BY ADDING SECTION 12-2-110 TO PROVIDE THAT LEGISLATION PROVIDING TAX INCENTIVES OR SUBSIDIES MAY NOT RECEIVE SECOND READING IN EITHER HOUSE WITHOUT AN ECONOMIC ANALYSIS REPORT BY THE DEPARTMENT OF COMMERCE AND TO DETAIL THE REQUIREMENTS OF THE REPORT.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 2, Title 12 of the 1976 Code is amended by adding:

“Section 12‑2‑110. (A) Any legislation implementing or providing a targeted tax incentive or subsidy may not receive a second reading in either house until the Department of Commerce submits to the members of the General Assembly, and makes available on its internet website, a report of the economic analysis required by this section.

(B)(1) The Department of Commerce shall conduct a comprehensive economic analysis of the impact of any proposed state targeted tax incentive or subsidy that:

(a) exceeds one hundred thousand dollars over a five‑year period;

(b) when combined with proposed or existing tax incentives, exceeds one hundred thousand dollars over a five‑year period.

(2) The analysis must include the:

(a) estimated number of net full-time, part-time, and temporary jobs created for existing South Carolina residents;

(b) estimated impact on existing South Carolina businesses, including, but not limited to, competitors in the same industry;

(c) estimated impact on the local job market and wages;

(d) estimated impact on state and local tax revenue, including unemployment and other public assistance programs;

(e) estimated per capita benefit for state and local taxpayers;

(f) estimated impact on private investment displaced by public investment;

(g) estimated number of ‘spin‑off’ businesses and jobs created; and

(h) ratio of public spending to each job created.

(3) The Board of Economic Advisors must certify an analysis performed pursuant to this item prior to the analysis being transmitted to the General Assembly and prior to the analysis being posted on the Department of Commerce’s website.

(4) The Department of Commerce may engage an economist not employed by any state agency, except a four‑year university, to assist with the economic analysis.

(5) All reasonable costs associated with the analysis must be assessed to proposed incentive or subsidy recipient.

(C) An analysis conducted pursuant to this section must be compiled in a report that is submitted to the General Assembly and made available in a conspicuous location on the Department of Commerce’s internet website.

(D) Nothing contained in this section requires the disclosure of trade secrets as defined in Section 30‑4‑40.”

SECTION 2. This act takes effect upon approval by the Governor.

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