# HOUSE BILL No. 1277

DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-28-6.5.

**Synopsis:** State economic development incentives. Provides that certain state economic development entities may not provide specified economic development incentives after June 30, 2008, to or for an employer unless the employer agrees and certifies to that effect that the employer will not, solely because of the location of an individual's residence within Indiana, prohibit the individual from applying for employment with the employer. Specifies that if a state economic development entity determines after a public hearing that an employer has violated this provision, the employer forfeits the economic development incentive and must repay to the state any part of the economic development incentive that has been provided to the employer.

**Effective:** Upon passage.

**Herrell**

January 15, 2008, read first time and referred to Committee on Labor and Employment.

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Introduced

Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type.~~

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~*this style type*~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

C o p y

# HOUSE BILL No. 1277

A BILL FOR AN ACT to amend the Indiana Code concerning economic development.

*Be it enacted by the General Assembly of the State of Indiana:*

SECTION 1. IC 5-28-6.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

**Chapter 6.5. Prohibition of Certain Hiring Restrictions; Forfeiture of State Incentives**

**Sec. 1. As used in this chapter, "employer" means any person, firm, partnership, association, corporation, limited liability company, receiver, or other entity employing any person in Indiana.**

**Sec. 2. As used in this chapter, "state economic development entity" means any of the following:**

**(1) The corporation.**

**(2) The Indiana finance authority.**

**(3) The office of the lieutenant governor carrying out the duties under IC 4-4-2.4 relating to energy policy.**

**(4) The office of tourism development.**

**(5) The department of state revenue.**

**Sec. 3. As used in this chapter, "state incentive" means any of the following:**

**(1) A grant awarded by a state economic development entity.**

**(2) A loan or loan guarantee made by a state economic development entity.**

**(3) A state tax liability credit granted or allowed by a state economic development entity under IC 6-3-3-10 or IC 6-3.1.**

**Sec. 4. (a) An employer who is awarded or allowed a state incentive or whose state incentive is renewed after June 30, 2008:**

**(1) may not, solely because of the location of an individual's residence within Indiana, prohibit the individual from applying for employment with the employer;**

**(2) must agree that if the employer violates subdivision (1), the employer forfeits the state incentive and repay to the state any portion of the state incentive that has been provided to the employer; and**

**(3) must permit the state economic development entity to inspect the employer's books, accounts, and records to ensure compliance with subdivision (1).**

**(b) A state economic development entity may not award, allow, or renew a state incentive after June 30, 2008, to or for an employer unless an officer, employee, or member of the employer certifies to the state economic development entity under the penalties for perjury that the employer will comply with subsection (a)(1) through (a)(3).**

**Sec. 5. (a) If a state economic development entity determines that an employer has violated section 4(a)(1) of this chapter, the state economic development entity shall mail a written notice of the determination to the employer. The written notice must include the date, time, and place of a public hearing to be conducted by the state economic development entity to further consider the employer's compliance with section 4(a)(1) of this chapter.**

**(b) Based on the information presented at the public hearing by the employer and other interested parties, the state economic development entity shall make a final determination regarding whether the employer has violated section 4(a)(1) of this chapter.**

**(c) A final determination by a state economic development entity under this section may be appealed under IC 4-21.5.**

**(d) If a state economic development entity makes a final determination that an employer has violated section 4(a)(1) of this chapter, the employer shall, as provided in section 4(a)(2) of this chapter, forfeit the state incentive and repay to the state any part**

C o p y

**of the state incentive that has been provided to the employer.**

SECTION 2. **An emergency is declared for this act.**

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