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### Overview

Requires the Legislative Auditor to evaluate economic development incentive programs.

#### Section

#### **1 Evaluation of economic development incentive programs.**

**Subd. 1. Definitions.** Defines “general incentive” and “exclusive incentive” for purposes of this section.

**Subd. 2. Selection of general incentives for review; schedule.** Requires the Legislative Auditor to annually submit to the Legislative Audit Commission a list of three to five general incentives proposed for review. Requires the Legislative Audit Commission to select at least one general incentive for the legislative auditor to evaluate.

**Subd. 3. Exclusive incentive schedule.** Provides that the legislative auditor’s schedule shall ensure that at least once every four years the legislative auditor will complete an analysis of best practices for exclusive incentives.

**Subd. 4. Evaluation plans.** Requires the Legislative Audit Commission to establish evaluation plans that identify elements the Legislative Auditor must include in evaluations of general and exclusive incentives.

#### **2 Audit data.** Provides that legislative auditor data relating to an evaluation of an incentive will be treated the same as the auditor’s audit data.

**Section**

- 3**        **Consideration of general incentives.** Requires the Commissioner of Management and Budget to submit a report, when submitting the governor's operating budget to the legislature, identifying each general incentive for which an evaluation was completed since the last budget submission. Requires that the report recommend if each general incentive evaluated should be continued or modified, or whether other strategies should be used to achieve the incentive's goal.
  
- 4**        **Consideration of best practices for exclusive incentives.** Requires that if a new Legislative Auditor analysis of best practices for exclusive incentives has been completed since the last budget submission, the report from MMB must recommend when and how exclusive incentives should be offered, managed, and structured.
  
- 5**        **Appropriation.** Appropriates money from the general fund to the Legislative Auditor for purposes of the evaluations required by this bill.