

# LABOR AND WORKFORCE DEVELOPMENT

## Resolution LWD-16-26

### **CALLING FOR INCREASED REPORTING, TRANSPARENCY AND FISCAL ACCOUNTABILITY WITH TAXPAYER FUNDS**

WHEREAS, there is agreement that states giving out taxpayer dollars in the form of subsidies and contracts to corporations should make certain that those companies be held fully accountable for how they used the money and they play by the rules;

WHEREAS, states should ensure that taxpayers and states get their money's worth by tracking and disclosing exactly where taxpayer dollars are going;

WHEREAS, state governments should also establish job creation and job quality standards so that companies receiving tax incentives and subsidies raise, not lower the living standards of working families;

WHEREAS, states spend billions of dollars each year on tax credits, deductions, exemptions and other breaks collectively known as "tax expenditures;"

WHEREAS, states should wherever necessary enhance the state's ability to evaluate their impact and effectiveness after the fact; and

WHEREAS, tax expenditures often go on indefinitely without scrutiny because of a lack of oversight.

THEREFORE BE IT RESOLVED, that National Black Caucus Of State Legislators (NBCSL) supports legislation that requires companies that fail to live up to the promises they made to receive the subsidy or the tax break to return the money;

BE IT FURTHER RESOLVED, that the NBCSL supports legislation that requires states to regularly prepare publicly accessible tax expenditure reports as part of the state's budget analysis;

BE IT FURTHER RESOLVED, NBCSL supports legislation that includes a clawback provision that enables money to be recouped due to a failure to comply with agreed-upon terms;

BE IT FURTHER RESOLVED, the reports would include all state tax expenditures (both implicit and explicit) and provide information on who benefits, the major impact on state and local revenues, and whether each tax expenditure has effectively met its stated purpose; and

BE IT FINALLY RESOLVED, that a copy of this resolution be transmitted to the President of the United States, the Vice President of the United States, members of the United States House of Representatives and the United States Senate, and other federal and state government officials as appropriate.

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**SPONSOR:** Senator Ronald Rice (NJ)

**Committee of Jurisdiction:** Labor and Workforce Development Policy Committee

**Certified by Committee Co-Chairs:** Senator Ron Rice (NJ) and Assemblywoman Annette Robinson (NY)

**Ratified in Plenary Session:** Ratification Date is December 4, 2015

**Ratification is certified by:** Senator Catherine Pugh (MD), President