

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 75** SLS 202ES 105

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: October 15, 2020 9:37 AM	Author: MILLIGAN
Dept./Agy.: Attorney General/Secretary of State	Analyst: Rebecca Robinson
Subject: Transactions by the People's Republic of China	

COMMERCIAL REGULATIONS EG NO IMPACT GF EX See Note Page 1 of 1
Provides relative to certain transactions involving investments by certain Chinese enterprises. (gov sig) (Item #28)

Proposed legislation provides that beginning on 1/1/21, an enterprise that participates in an incentive or rebate program with the Department of Economic Development (LED) shall submit to the Attorney General (AG) written notice that shall contain: 1) the terms of purchase or lease; 2) the identity and chain of ownership of the buyer and seller and the lessor and lessee; 3) the buyer's purpose and reason for making the investment; 4) the sources of all funds used to make the investment; 5) whether the buyer or any affiliate of the buyer will acquire intellectual property as a result of the transaction; 6) whether the buyer or lessor has received subsidies from the People's Republic of China (PRC). If the enterprise fails to provide notice within 60 days after the incentive or rebate was received, the existing contract with LED shall be void and the AG shall bring proceedings to recover all funds the enterprise received from LED.

Effective upon Governor's signature.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The AG's office has indicated it does not anticipate any workload increases associated with the reviews and potential recovery efforts as outlined in the proposed legislation.

The LED is reviewing records to determine whether it can identify the potential number of entities which could be impacted by the proposed legislation.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

Alan M. Boxberger
Staff Director