

FINANCIAL EXPOSURE:

Rating the States on Economic Development Transparency
(read here: <https://goodjobsfirst.org/financialexposure>)

APPENDIX: Arizona

Transparency scores for major state programs
(* see next page for scoring details)

Program Description	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
Arizona Competes Fund - five grants:A-1 for basic sector enterprises, AIC for start-ups, A-2 REDG for rural enterprises, AZSBDCG for small businesses, and AZCAG for family businesses	<u>\$12 million (2020)</u>	<u>Source</u>	40/100
Computer Data Center Incentive Program - exemption from Transaction Privilege Tax (TPT) and Use Tax at the state, county and local levels on qualifying purchases of data center equipment	unavailable	<u>Source</u>	12/100
Qualified Facility Incentive Program - refundable income tax credit equal to 10% of the qualifying capital investment or \$20,000 per net new job at the facility or \$30M per taxpayer per year, whichever is less.	<u>\$16 million (2020)</u>	<u>Source</u>	14/100
Quality Jobs Tax Credit - This program offers up to \$9,000 of Arizona income or premium tax credits spread over a three-year period for each net new qualifying job (\$3,000 per year).	<u>\$25 million (2020)</u>	<u>Source</u>	35/100
Research and Development Tax Credit- The non-refundable part is administered by the DOR; the refundable part by the ACA and capped at \$5 million. Only the refundable portion is transparent.	<u>\$74 million (2018)</u>	<u>Source</u>	12/100

Financial Exposure: Rating the States on Economic Development Transparency	Maximum possible score	Arizona Competes Fund	Computer Data Center Incentive Program	Qualified Facility Incentive Program	Quality Jobs Tax Credit	Research and Development Tax Credit
Scoring Details for Arizona Programs						
<i>Score criteria (point values in parentheses)</i>						
PROJECT INFORMATION						
address/coordinates (8); zip code (5); city or county (3)	8	0	0	0	0	0
month + year of agreement/contract/project (1)	1	0	0	0	0	0
nature of project (1)	1	0	1	0	0	0
ADVANCE NOTICE AND PUBLIC PARTICIPATION						
full applications (5); applicant names + amounts (2); applicant names (1)	5	0	0	0	0	0
cost-benefit analysis at least 15 days in advance (3)	3	0	0	0	0	0
meeting: full proposal (4); program + applicant (3); agenda (2); dates (1)	4	2	2	2	2	2
full draft agreements ahead of approval (3); full agreements after (1)	3	0	0	0	0	0
RECIPIENT IDENTITY						
federal employer identification number (1)	1	0	0	0	0	0
industry classification NAICS code (1)	1	1	0	0	0	0
parent company for all awardees (3)	3	0	0	0	0	0
SUBSIDY INFORMATION						
approved/awarded subsidy value (4)	4	4	0	4	2	1
disbursed/claimed subsidy amount (6)	6	3	0	0	3	0
status + penalty actions (10); status only (5)	10	7	0	0	1	0
JOB CREATION REPORTING						
number of projected new/retained jobs/trainees (6)	6	6	0	0	3	0
number of actual new/retained jobs/trainees (14)	14	1	0	0	7	0
WAGES/PAYROLL REPORTING						
projected wage/payroll for new/retained jobs (5)	5	5	0	0	2	0
actual wage/payroll for new/retained jobs (10)	10	1	0	0	5	0
EXPENDITURE/INVESTMENT REPORTING						
projected capital investment/expenditure/cost (1)	1	1	0	0	1	0
actual capital investment/expenditure/cost (4)	4	1	1	0	1	1
DATA ACCESSIBILITY AND USABILITY						
two clicks from program page (3); - 1 for every additional click	3	3	3	3	3	3
unambiguous data and explanations (2)	2	2	2	2	2	2
five years of data placed together (2); on different pages (1)	2	2	2	2	2	2
downloadable to database applications (3); downloadable to PDF (1)	3	1	1	1	1	1
TOTAL PROGRAM SCORE	100	40	12	14	35	12

see next page for scoring notes

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Scoring notes: Arizona

Arizona Revised Statutes 41-1512 prohibits the disclosure of certain recipient-level information considered "confidential."

Arizona Competes Fund

Disclosure link: <https://www.azcommerce.com/about-us/incentive-reports/>

Grantees are reported in separate tables based on status. Rescinded awards are reported in aggregate. Points were deducted in outcome categories for failing to report interim outcomes within the performance period for individual projects (only aggregates are provided for A1 and AIC). As a result, users can't tell how much is paid out each year and how many jobs have been created to date.

Computer Data Center Incentive Program

Disclosure link: <https://www.azcommerce.com/about-us/annual-reports>

Disclosure is minimal. Not even precise investment info is provided.

Qualified Facility Incentive Program

Disclosure link: <https://www.azcommerce.com/about-us/incentive-reports/>

Disclosure is minimal. Projected new jobs and investment amounts are not provided.

Quality Jobs Tax Credit

Disclosure link: <https://www.azcommerce.com/about-us/annual-reports>

Pre-and post-approved projects are listed in separate tables. Projected figures are reported only for pre-approved projects. Outcome figures are reported only for post-approved projects. All points are therefore deducted by half.

Research and Development Tax Credit

Disclosure link: <https://www.azcommerce.com/about-us/annual-reports>

Scores were discounted as only the \$5M capped refundable portion is disclosed.