

74-8403. Same; requirements to continue certification; annual review by secretary of commerce; decertification, when. (a) Each qualified local seed capital pool shall report to the secretary of commerce on an annual basis such information as the secretary requires to be submitted to maintain certification. As a part of such information, each local seed capital pool shall report the name, address and taxpayer identification number of each taxpayer who has invested in such pool and amounts invested by each such taxpayer.

(b) The secretary of commerce shall provide this information contained in subsection (a) to the department of revenue on an annual basis.

(c) The secretary of commerce shall conduct an annual review of each local seed capital pool certified to determine if the local seed capital pool is in compliance with the requirements of certification, to advise the local seed capital pool as to the certification status of its investments, and to ensure that no investment has been made in violation of the provisions of this act or rules and regulations promulgated by the department. The reasonable costs of the annual review shall be paid by each local seed capital pool according to a reasonable fee schedule adopted by the secretary. Any violation shall be grounds for decertification under this section.

(d) In undertaking the annual review the secretary of commerce shall use reasonable and generally accepted national standards of seed capital investment practice. If the secretary determines that a local seed capital pool is not in substantial compliance with the requirements for continuing in certification, the secretary shall, by written notice, inform the officers of the pool and the board of directors or partners that they will be decertified in 120 days from the date of mailing of the notice unless they correct the deficiencies and are once again in compliance with the requirements for certification.

(e) At the end of the 120-day period, if the local seed capital pool is still not in substantial compliance, the secretary of commerce shall send a notice of decertification to the pool and to the secretary of the department of revenue. Decertification of a local seed capital pool shall cause the forfeiture by the pool of any right or interest to the tax credit under the provisions of this act and shall cause the total amount of tax credit previously claimed by persons under the program to be due and payable.

(f) Following each annual examination, the secretary shall notify the department of revenue of any local seed capital pools that are not in compliance with this section.

History: L. 1987, ch. 365, § 3; July 1.