AN ACT

To enact Chapter 15-B of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:1481 through 1489, relative to economic development; to provide for intent; to provide for definitions; to provide for an economic development program; to create a special treasury fund for economic development; to provide for qualified expenditures; to provide form requirements; to provide for deposit and allocation of funds; to provide relative to the powers and duties of the Department of Economic Development, the Department of Revenue, and the state treasurer; to provide relative to the promulgation of rules; to provide for procedure; to provide for cooperative endeavor agreements; to provide for application of law; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 15-B of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:1481 through 1489, is hereby enacted to read as follows:

CHAPTER 15-B. LOUISIANA COMPETES REGIONAL ECONOMIC DEVELOPMENT PROGRAM

§1481. Legislative intent

The legislature recognizes the strong competition among states to attract new business and industry and to grow existing business and industry. It is further recognized that different regions of this state have different characteristics and
attributes which are advantageous to specific sectors of the economy. As a result, these regions each have unique challenges and opportunities relative to economic development. The legislature believes that local citizens working through regional economic development organizations are uniquely positioned to support the state’s overall economic development efforts by identifying and directing how certain resources are best utilized to take advantage of a region’s distinctive economic potential. It is the intent of the legislature to authorize and direct the execution of cooperative endeavor agreements, in accordance with this Chapter and R.S. 33:9029.2, by and between the state and each of the eight regional economic development organizations where the state will provide economic support to the regional economic development organizations in exchange for the regional economic development organizations providing locally developed and tailored services directly related to attracting new business and industry and growing existing business and industry within their respective regions through the use of funds awarded through the Louisiana Competes Regional Economic Development Program, as provided for in this Chapter. It is further the intent of the legislature to minimize red tape and grant regional economic development organizations the maximum flexibility to utilize grant funds in furtherance of the intent of this Section. The legislature finds and determines that the use of funds are in furtherance of a public purpose.

§1482. Definitions

For purposes of this Chapter, the following words have the following meanings:

(1) "Commissioner" means the commissioner of the division of administration.

(2) "Louisiana Competes Fund" means the Louisiana Competes Regional Economic Development Fund.

(3) "Louisiana Competes Program" means the Louisiana Competes Regional Economic Development Program.
(4) "Grant" means an award from the Louisiana Competes Economic Development Program to a regional economic development organization.

(5) "Qualified expenditure" shall having the meaning set forth in R.S. 39:1485.

(6) "Regional economic development organization" means any of the following: the Baton Rouge Area Chamber, or its successor; the Central Louisiana Economic Development Alliance, or its successor; Greater New Orleans, Inc., or its successor; the Northeast Louisiana Economic Alliance, or its successor; the North Louisiana Economic Partnership, or its successor; One Acadiana, or its successor; the South Louisiana Planning and Development Commission, or its successor; or the Southwest Louisiana Economic Development Alliance, or its successor.

(7) "Secretary" means the secretary of the Department of Economic Development.

§1483. Louisiana Competes Regional Economic Development Program

A. There is hereby created the Louisiana Competes Regional Economic Development Program to be administered by the Department of Economic Development, to provide grants to regional economic development organizations pursuant to the Louisiana Competes Regional Economic Development Program as established in this Chapter.

B. Each regional economic development organization shall be entitled to an initial grant in the amount of one-eighth of the initial funds deposited into the Louisiana Competes Fund.

§1484. Louisiana Competes Regional Economic Development Fund; appropriation; allocation

A. There is hereby created and established in the state treasury, a special fund titled the Louisiana Competes Regional Economic Development Fund.

B. Within the Louisiana Competes Fund there are hereby created the following subfunds:
(1) The Baton Rouge Area Chamber Subfund, to be used solely to provide grants to the Baton Rouge Area Chamber, or its successor.

(2) The Central Louisiana Economic Development Alliance Subfund, to be used solely to provide grants to the Central Louisiana Economic Development Alliance, or its successor.

(3) The Greater New Orleans, Inc., Subfund, to be used solely to provide grants to Greater New Orleans, Inc., or its successor.

(4) The Northeast Louisiana Economic Alliance Subfund, to be used solely to provide grants to the Northeast Louisiana Economic Alliance, or its successor.

(5) The North Louisiana Economic Partnership Subfund, to be used solely to provide grants to the North Louisiana Economic Partnership, or its successor.

(6) The One Acadiana Subfund, to be used solely to provide grants to One Acadiana, or its successor.

(7) The South Central Planning and Development Commission Subfund, to be used solely to provide grants to the South Central Planning and Development Commission, or its successor.

(8) The Southwest Louisiana Economic Development Alliance Subfund, to be used solely to provide grants to the Southwest Louisiana Economic Development Alliance, or its successor.

C. Monies in the Louisiana Competes Fund and subfunds shall be invested in the same manner as monies in the state general fund. Interest earned on the investment of monies in the Louisiana Competes Fund and subfunds shall be credited to the Louisiana Competes Fund and subfunds for which the interest was earned. Unexpended and unencumbered monies in the Louisiana Competes Fund and subfunds at the end of the fiscal year shall remain in the Louisiana Competes Fund or subfund to which they are credited.

§1485. Qualified expenditures

A. A regional economic development organization shall only utilize grant funds to pay for qualified expenditures related to the furtherance of economic
development within the region it represents. Qualified expenditures are limited to site development costs and economic development marketing of the region represented by the regional economic development organization.

B.(1) Site development costs include but are not limited to costs incurred for the following:

(a) Studies.

(b) Surveys.

(c) Development of plans and specifications.

(d) Entering into option agreements.

(e) Infrastructure improvements.

(f) Due diligence.

(g) Remediation.

(h) Wetland delineation.

(i) Professional services for architectural, engineering, legal, construction, and financial services related to site development.

(2) Economic development marketing costs include costs which are usual and customary in the economic development sector. The costs shall be tailored to the regional assets and attributes of the region represented by the regional economic development organization. Economic development marketing cost includes cost incurred for any of the following:

(a) Print, digital, or video marketing.

(b) Preparation, development, or implementation of an economic development marketing plan.

(c) Competitive research.

(d) Expenses related to hosting professional site selectors or business prospects traveling to the region to explore or review possible sites.

C. Without limiting the provisions of Subsections A and B of this Section, a regional economic development organization shall not utilize any monies from the Louisiana Competes Fund for any of the following:
(1) Salaries, wages, or benefits.

(2) Travel expenses incurred by the regional economic development organization's officers, employees, or contractors.

(3) Alcohol.

(4) Land, buildings, offices, equipment, or vehicles used primarily for the administrative operations of the regional economic development organization.

§1486. Form requirements

The secretary shall develop a form to be used by the regional economic development organizations to request grant funding. The secretary shall develop the form to solicit all of the following information and nothing further:

(1) The legal name and tax identification number of the regional economic development organization.

(2) The legal name and contact information of the person serving as chief executive of the regional economic development organization or other such person authorized by the governing board of the regional economic development organization to act on its behalf and having the legal capacity to enter into binding agreements on behalf of the organization.

(3) The signature of the chief executive of the regional economic development organization or other such person authorized by the governing board of the regional economic development organization to act on its behalf. The signature certifies that the regional economic development organization has reviewed, understands, and will comply with the requirements contained in this Chapter.

(4) The date the form was signed.

§1487. Grant approval

Within five calendar days of receiving a completed grant request form as provided for in R.S. 39:1486, the secretary shall notify the commissioner that a grant is approved pursuant to this Chapter.
§1488. Cooperative endeavor agreement; term; public fund matching

A. Within thirty calendar days of grant approval, the regional economic
development organization and the state shall enter into a cooperative endeavor
agreement as provided for in R.S. 33:9029.2. The objectives and intent of each
cooperaive endeavor agreement shall be in conformity with the objectives and intent
of this Chapter. Accordingly, the obligations of the regional economic development
organization set forth in the cooperative endeavor agreement shall be limited to the
following:

(1) Identifying high-priority sites for the purpose of attracting economic
development projects.

(2) Developing high-priority sites for the purpose of attracting economic
development projects.

(3) Marketing of the regional economic development organization's
particular region for the purpose of attracting economic development projects.

(4) Developing and subsequently providing a report of all activities related
to the objectives of the cooperative endeavor agreement undertaken in the previous
year.

(5) Maintaining records and an accurate accounting of all expenditures.

(6) Adhering to state and federal non-discrimination laws.


(8) Applying a ten percent local match as provided for in Subsection C of
this Section.

B. The initial cooperative endeavor agreement with each regional economic
development organization shall have an initial term of two years. Thereafter the
initial cooperative endeavor agreement with a regional economic development
organization shall automatically renew for successive one-year periods until such
time as all initial funds provided in the agreement have been expended.

C. A regional economic development organization shall not expend any
grant funds without simultaneously applying local matching funds equaling ten
percent of the cost being paid. Funds originating from any lawful source other than
the state shall constitute local matching funds.

D.(1) After entering into a cooperative endeavor agreement pursuant to this
Chapter, the commissioner shall notify the treasurer of such action within five
business days of execution of the agreement.

(2) After receiving the notification required by Paragraph (1) of this
Subsection, within five business days, the treasurer shall disburse the funds to the
regional economic development organization.

§1489. Application of law

The provisions of this Chapter shall be liberally construed to accomplish the
intent of this Chapter.

Section 2. The state treasurer is hereby authorized and directed to transfer $8,000,000
from the state general fund into the Louisiana Competes Regional Economic Development
Fund and to credit the amount pro rata between each of the subfunds created by this Act.

Section 3. The provisions of Sections 1 and 2 of this Act shall become effective
when an Act of the Louisiana Legislature containing a specific appropriation of monies for
the implementation of the provisions of this Act becomes effective.

Section 4. The provisions of Sections 3 and 4 of this Act shall become effective
upon signature by the governor or, if not signed by the governor, upon expiration of the time
for bills to become law without signature by the governor, as provided by Article III, Section
18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
by the legislature, the provisions of Sections 3 and 4 of this Act shall become effective on
the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no
part of the legislative instrument. The keyword, one-liner, abstract, and digest do not
constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and
24:177(E)]

HB 724 Re-Reengrossed 2022 Regular Session Bagley

Abstract: Creates a grant program that provides economic development funding to eight
regional economic development organizations in the state.

CODING: Words in struck through type are deletions from existing law; words underscored
are additions.
Proposed law creates the La. Competes Regional Economic Development Program, hereinafter "program" which is to be administered by the La. Dept of Economic Development. The program is to provide grant funding to each of eight regional economic development organizations, hereinafter "organizations".

Proposed law creates the La. Competes Regional Economic Development Fund, hereinafter "fund", as a special fund in the state treasury. Further divides the fund into eight distinct subfunds, one for each regional economic development organization named in proposed law.

Proposed law requires monies in the fund and subfunds to be invested in the same way general fund monies are invested, with interest to be deposited back into the fund or subfund upon which the interest was earned. Further requires unexpended and unencumbered monies in the fund and subfunds to remain in the fund or subfund at the end of the fiscal year.

Proposed law authorizes and requires the treasurer to transfer $8M from the state general fund into the fund.

Proposed law requires one-eighth of the initial deposit of monies into the fund be allocated to each of the organizations.

Proposed law restricts the use of grant monies awarded pursuant to proposed law to "qualified expenditures", hereinafter "expenditures", related to the furtherance of economic development within the region it represents.

Proposed law provides two categories of expenditures: site development and economic development marketing. Proposed law provides nonexclusive examples of each, such as:

(1) Site development costs:
   (a) Studies.
   (b) Surveys.
   (c) Development of plans and specifications.
   (d) Entering into option agreements.
   (e) Infrastructure improvements.
   (f) Due diligence.
   (g) Remediation.
   (h) Wetland delineation.
   (i) Certain professional services related to site development.

(2) Economic development marketing:
   (a) Print, digital, or video marketing.
   (b) Preparation, development, or implementation of an economic development marketing plan.
   (c) Competitive research.
(d) Expenses for hosting professional site selectors or business prospects traveling to the state to explore or review sites.

**Proposed law** prohibits organizations from using grant monies for any of the following, to the extent the use does not conflict with the approved purposes provided in **proposed law**:

1. Salaries, wages, benefits.
2. Travel expenses incurred by the organizations officers, employees, or contractors.
3. Alcohol.
4. Land, buildings, offices, equipment, or vehicles used primarily for the administrative operations of the organization.

**Proposed law** requires the secretary of economic development, hereinafter "secretary", to develop a grant request form to be used by the organizations to request funding. The form requires the following information:

1. Legal name and tax ID number of the organization.
2. Legal name and contact information for the person authorized to act on behalf of the organization.
3. Signature of the person authorized to act on behalf of the organization.
4. Date of signature.

**Proposed law** requires the secretary to notify the commissioner of administration that a grant is approved pursuant to **proposed law** within five calendar days of receiving a completed grant request.

Within 30 calendar days of grant approval, **proposed law** requires the organization and the state to enter into a cooperative endeavor agreement as provided for in **present law**.

**Proposed law** requires the cooperative endeavor agreement to be in conformity with the intent and purpose of **proposed law**, and the organization's obligations pursuant to the agreement are to be limited to the following:

1. Identifying high-priority sites for the purpose of attracting economic development projects.
2. Developing high-priority sites for the purpose of attracting economic development projects.
3. Marketing of the regional economic development organization's particular region for the purpose of attracting economic development projects.
4. Developing and subsequently providing a report of all activities related to the objectives of the cooperative endeavor agreement undertaken in the previous year.
5. Maintaining records and an accurate accounting of all expenditures.
6. Adhering to state and federal non-discrimination laws.
7. Adhering to provisions of **present law** which prohibit discriminatory boycotts of
Israel in state procurement.

(8) Applying a 10% local match as provided for in proposed law.

Proposed law provides that the initial cooperative endeavor agreement is for an initial period of two years. Further provides that the initial agreement will automatically renew for successive year-long periods until all initial funds provided by the agreement are expended.

Proposed law requires each organization to apply local matching funds equaling 10% of the cost being paid.

Proposed law requires the commissioner to notify the treasurer of execution of the cooperative endeavor agreement within five days of execution and requires the treasurer to disburse the monies to the organization within five days of notification.

Proposed law is intended to be construed liberally in order to achieve the intent of proposed law.

Effective upon appropriation of funds by the legislature.

(Adds R.S. 39:1481-1489)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Remove use of surplus monies for proposed law.

2. Make effectiveness of proposed law subject to appropriation.

3. Divide fund established in proposed law into eight subfunds, one for each regional economic development district in proposed law.

4. Require Dept. of Economic Development to establish tax increment boundaries for each project under proposed law and establish a sales tax baseline for each project. Further dedicate 5% of state sales taxes collected above the baseline within the project boundaries and require deposit into the regional economic development organization's subfund.

5. Remove requirement that each regional economic development organization be awarded an initial grant of one million dollars and instead award each such organization an initial award in the amount of one-eighth of the initial deposit into the fund established in proposed law.

6. Remove requirement that a regional economic development organization obtain a 10% match for each project undertaken pursuant to proposed law and instead require each organization to apply a 10% match to each such project.

7. Remove requirement that each 10% local match payment be calculated as 10% of the funds spent during any calendar year and instead require the match to be calculated as 10% of the cost being paid.
8. Remove requirement that the treasurer, pursuant to legislative appropriation, deposit in and credit to the Louisiana Competes Fund $8 million.

9. Make technical changes.

The House Floor Amendments to the reengrossed bill:

1. Remove requirement that Dept. of Economic Development establish tax increment boundaries for each project under proposed law and establish a sales tax baseline for each project.

2. Remove provisions dedicating 5% of state sales taxes collected above each baseline within the project boundaries established pursuant to proposed law and require deposit into the regional economic development organization's subfund.

3. Add provision requiring state treasurer to deposit $8 million into the Louisiana Competes Fund.

4. Remove provisions designating the South Louisiana Economic Council as a regional economic development organization pursuant to proposed law.

5. Add the South Central Planning and Development Commission as a regional economic development organization pursuant to proposed law.

6. Make technical changes.