
 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)]

Marionneaux

SB No. 500

Proposed law establishes the Angel Investor Rebate Program to encourage third party investors in early-stage, wealth-creating businesses (Louisiana Entrepreneurial Business), and to provide quality jobs in Louisiana.

Proposed law provides for definitions and requirements of qualifying investments. Requires investments in "at risk" endeavors, meaning that the repayment of the investment is entirely dependent on the success of the Louisiana Entrepreneurial Business.

Proposed law establishes qualifications of investors for participation in the program and authorizes DED to certify investments for participation in the program and issue rebate certificates to qualifying investors. Authorizes rebates on investments made after January 1, 2010. The maximum allowable investment for an investor is \$1 million per year per business. The rebate amount shall be equal to 30% of the amount of invested, which rebate amount shall be divided into equal portions over three years to be paid over three years. The portion of the rebate attributable to the first year shall be payable 24 months from the date that DED certifies the amount of investment.

Proposed law requires DED to maintain a list of rebate certificates issued. Provides that rebate certificates shall expire seven years after being granted. The payment of rebates shall be made by the secretary of the Dept. of Revenue out of general collections.

Proposed law authorizes penalties for providing false or fraudulent information in an application for rebate.

Proposed law requires repayment of rebates from investor under certain conditions.

Proposed law provides for the implementation and administration of the program by the Dept. of Economic Development (DED). Requires DED to promulgate rules for the program.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 51:3121-3124)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill.

1. Changes the amount of the rebate payment from 35% of the amount invested to 30% of the amount invested.
2. Changes the period of time for the payment of a rebate to an investor from 5 years to 3 years.
3. Adds "acquisition of real property" to the list of authorizes uses of monies contributed by an angel investor.
4. Changes the source of funding for payment of rebates from the Mega-Project Development Fund to general collections of the Dept. of Revenue.