

**GREEN SHEET REDIGEST**

**HB 585**

**2023 Regular Session**

**Echols**

**ECONOMIC DEVELOPMENT: Provides relative to economic development.**

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DIGEST

Proposed law defines certain terms, including "accountability", "action plans", "benchmarking", "goals", "mission", "objectives", "philosophy", "strategies", and "vision".

Proposed law creates the Council for Economic Prosperity (council) and places it with the Dept. of Economic Development.

Proposed law requires the council to consist of 17 members and that members be appointed starting with the commencement of the 2024 Regular Session. Provides that the governor, the president of the Senate, and the speaker of the House shall appoint members. Provides that governor and the secretary of the Dept. of Economic Development are member of the council provides that members may designate another person to represent him for work assigned by the council but not for meetings or voting.

Proposed law requires that members of the executive committee may not designate a representative for participation on the executive committee. Provides that the chairman may designate a representative except to chair the full council meeting at which final adoption of the master plan is considered and voted upon. The governor as chairman of the council.

Proposed law designates proposed law requires that the vice chair of the council be elected from the council's members. Provides that the quorum shall be nine members, and that members shall be compensated for actual and necessary expenses incurred in accordance with state travel regulations.

Proposed law requires that the full council meet at least quarterly with only one of the mandatory quarterly meetings taking place in Baton Rouge.

Proposed law creates the State Plan for Economic Development.

Proposed law requires that the Council for Economic Prosperity shall formulate and establish the state's economic development policy and coordinate and ensure its implementation through the Dept. of Economic Development, the office of the governor, and the division of administration. Provide that the council shall formulate the State Plan for Economic Development which shall include the following:

- (1) The vision, mission, and philosophy of the state in achieving economic prosperity, a robust business climate, and high quality employment opportunities for all La. citizens.
- (2) An economic model for La. for a 20 year period, divided into five-year incremental planning and benchmarking periods.
- (3) An analysis of the current global, hemispheric, and national economies and their impact on the economy of La.
- (4) An analysis of broad trends of economic change on the national and regional levels in the U.S.
- (5) A comprehensive needs assessment and baseline analysis of the La. industries.
- (6) An analysis of the sustainability of the current La. economy over time. A 20 year plan, divided into five-year increments, with goals and objectives designed to attain economic prosperity.

- (7) Broad strategies that will permit the state to fulfill goals and objectives of the economic vision set forth in the plan.
- (8) A comprehensive benchmarking and accountability program to measure the performance of the La. economy and work force and measure the effectiveness of and progress toward achieving the objectives of each strategy and action plan.

Proposed law requires that the council or the executive committee hold at least two public hearings to gather public the testimony on the master plan.

Proposed law requires that the council adopt the final plan by a majority vote of the total council membership and shall submit the plan to the legislature for approval or rejection. Provides that the he plan shall be submitted to the governor, the president of the Senate, the speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, Consumer Protection, and International Affairs, and the chairman of the House Committee on Commerce no later than December 31, 2024. Provides for legislative action in the plan.

Proposed law requires that the State Plan for Economic Development be updated and resubmitted every five years, commencing with the December 31, 2024, initial submission.

Proposed law creates an annual action plan and provide that on December first of each year following submission of the original master plan, the council shall submit an annual report and plan to be known as the Economic Development Action Plan to the governor, the president of the Senate, the speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, Consumer Protection, and International Affairs, and the chairman of the House Committee on Commerce.

Proposed law requires that the annual action plan include, at a minimum, the following:

- (1) A report of council work, deliberations, and actions during the prior year.
- (2) A comprehensive program of recommended strategies and action plans for implementation in the next state fiscal year.
- (3) An overview of the benchmarking and accountability program and presentation of the results obtained during the prior year.
- (4) An analysis of the strengths and weaknesses of all initiatives, operational strategies, and action plans implemented in the prior year.
- (5) An explanation of why any strategies or initiatives were not implemented or failed, and recommendations on how to achieve their successful implementation.
- (6) An analysis of changes and trends in the external economic environment.

Proposed law requires that the council establish guidelines in accordance with the Administrative Procedure Act by which all economic development funding, awards, grants, incentives, and guarantees are prioritized, whether such issue from the office of the secretary, any other office of the department, or through any program of the La. Economic Development Corporation.

Proposed law requires that the council establish a seven-member executive committee, to be chaired by the chairman of the council, which shall have authority to call meetings of the council, establish committee schedules, direct the work of staff on loan or assignment, meet with the Advisory Commission on Economic Development, and represent the council before the legislature. Provides that the vice chairman of the council will represent the council before the legislature.

Proposed law states that the executive committee have authority to divide the work of the council into discrete areas and to establish and appoint subcommittees.

Proposed law requires that the executive committee meet at least once quarterly with the Advisory Commission on Economic Development to exchange information and facilitate implementation strategies.

Proposed law provides that the council shall have authority to promulgate all rules, regulations, and procedures, and to hold hearings, as it deems necessary and appropriate to its responsibilities and charge, pursuant to the Administrative Procedure Act.

Proposed law requires that the governor direct all appropriate agency heads to implement all strategies and actions recommended in the State Plan for Economic Development and in each annual Economic Development Action Plan, subject to constitutional restrictions.

Proposed law requires that the commissioner of administration implement all budgetary and programmatic strategies and actions recommended in each annual action plan and shall require their inclusion by any impacted department in all appropriate documents.

Proposed law creates the Advisory Commission on Economic Development.

Proposed law provides who shall comprise the Advisory Commission on Economic Development, provides for membership of the commission, and provides for the duties of the commission.

Proposed law requires that the advisory commission meet quarterly with the executive committee of the council to exchange information and facilitate implementation of the master plan and annual action plans.

Proposed law requires that each member of the advisory commission as directed by the governor, direct the implementation of the policies, directives, and components of the State Plan for Economic Development and any initiatives contained in an Economic Development Action Plan which would affect or require the action of the agency of his responsibility and charge.

(Adds R.S. 36:109(B)(4) and R.S. 51:2400.1-2400.10)

#### Summary of Amendments Adopted by House

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

1. Place the Council for Economic Prosperity within the Department of Economic Development.
2. Clarify that the chairman shall not designate a representative to chair the full council meeting where the final adoption of the master plan is considered and shall personally preside over such meeting.
3. Clarify that the council shall consult the advisory commission when submitting an outline of the master plan and objectives through the submission of the Economic Development Action Plan.
4. Add a subcommittee for regional economic development under the executive council.
5. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Add that the initial members appointed by the governor to the Council for Economic Prosperity shall have staggered terms.
2. Add that the council shall establish guidelines in accordance with the Administrative Procedure Act by which all economic development funding, awards, grants, incentives, and guarantees are prioritized.
3. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Changes the chairman of the council from the secretary of Department of Economic Development to the governor.
2. Changes the date for the council to submit its original master plan to the legislature from July 1, 2024 to December 31, 2024.
3. Provides that the chairman of the council shall be the chairman of the 7-member executive committee established by the council.
4. Provides that the vice chairman of the council shall represent the council before the legislature.
5. Adds three subcommittees under the executive committee.
6. Makes technical changes.