

2025 Regular Session

HOUSE BILL NO. 507

BY REPRESENTATIVE EMERSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ECONOMIC DEVELOPMENT: Establishes the High Impact Job Program within Louisiana Economic Development and provides for administration of the program

## 1 AN ACT

2 To enact Chapter 47 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised  
3 of R.S. 51:2771, relative to the High Impact Jobs Program; to establish the program;  
4 to provide relative to qualification for and administration of the program; to provide  
5 relative to the powers and duties of Louisiana Economic Development and its  
6 secretary; to provide relative to special treasury funds; to provide relative to the  
7 transfer, deposit, and use, as specified, of monies in certain special treasury funds;  
8 to provide for an effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Chapter 47 of Title 51 of the Louisiana Revised Statutes of 1950,  
11 comprised of R.S. 51:2771, is hereby enacted to read as follows:

12 CHAPTER 47. ~~LOUISIANA CAPITAL INVESTMENT TAX CREDIT~~ HIGH  
13 IMPACT JOBS PROGRAM

14 §2771. High Impact Jobs Program; fund

15 A. For the purposes of this Section, the following terms have the following  
16 meanings, unless context clearly indicates otherwise:

17 (1) "Basic health benefits plan" means individual coverage for basic hospital  
18 care, physician care, and health care, effective no later than the first day of the month  
19 ninety days after hiring, that provides the same coverage as that provided to  
20 executive, administrative, and professional employees who are exempt from the

1 minimum wage and maximum hour requirements of the federal Fair Labor Standards  
2 Act, 29 U.S.C. 201 et seq., and which LED determines to be in compliance with  
3 federally mandated healthcare requirements, or if no federally mandated healthcare  
4 requirements exist, shall be determined by rule. For the purposes of this Paragraph,  
5 the term "value" means the cost to the company or the cost of equivalent coverage.

6 (2) "Company" means an entity authorized to do business in Louisiana  
7 pursuant to state law.

8 (3) "Distressed area" means an area that is economically distressed or  
9 underdeveloped as determined by rule and approved by the secretary.

10 (4) "Expenditure verification report" means a report of expenses prepared  
11 by an independent certified public accountant, paid for by the company, in  
12 accordance with R.S. 36:104.1.

13 (5) "Jobs" means positions of employment that meet all of the following  
14 criteria:

15 (a) Did not exist in the state for that employer prior to the effective date of  
16 the incentive contract entered into pursuant to the provisions of this Chapter.

17 (b) Are for full-time, at-will employees. Does not include seasonal or  
18 temporary positions.

19 (c) Are directly employed by the company or a named subsidiary in the  
20 contract.

21 (d) Are filled onsite or remotely by Louisiana employees of the company or  
22 a named subsidiary in the contract.

23 (e) Include a basic health benefits plan.

24 (f) Are approved by the secretary.

25 (6) "LED" means Louisiana Economic Development.

26 (7) "Louisiana employee" means a person who qualifies as a resident  
27 individual pursuant to R.S. 47:31.

1           (8) "Parish average wage" means the average wage in a parish as determined  
2           annually by the United States Department of Labor, Bureau of Labor Statistics, or  
3           its successor agency.

4           (9) "Project site" means a site in Louisiana identified for a project on the  
5           program application.

6           (10) "Qualifying company" means a company that is certified by LED as  
7           meeting the eligibility requirements of this Section and that has executed a contract  
8           with LED providing the terms and conditions for its participation in the program  
9           provided for in this Section.

10           (11) "Regional average wage" means the average wage within the  
11           geographic boundaries of the regional economic development organization in which  
12           the project is located, as calculated by LED and posted on its website.

13           (12) "Secretary" means the secretary of Louisiana Economic Development.

14           (13) "Wages" means compensation of an employee based on time worked  
15           or output of production but does not include benefits or overtime compensation.

16           B. There is hereby established within LED the High Impact Jobs Program,  
17           hereafter referred to in this Section as the "program", to encourage companies to  
18           create jobs that pay above the parish average wage and offer a basic health benefits  
19           plan. LED shall offer the following types of incentives pursuant to the program:

20           (1) A reimbursable grant of a percentage of annualized wages paid for  
21           qualifying jobs, not to exceed two hundred thousand dollars per year, per job, based  
22           upon the parish average wage paid where the project site is located at the time the  
23           incentive contract is executed, subject to the following conditions:

24           (a) Eight percent for a project located in a distressed area with wages equal  
25           to or greater than one hundred and ten percent but less than one hundred and twenty-  
26           five percent of the lesser of the parish average wage or the regional average wage.

27           (b) Eighteen percent for a project located in a parish with wages equal to or  
28           greater than one hundred and twenty-five percent but less than one hundred and fifty  
29           percent of the parish average wage.

1           (c) Twenty-two percent for a project located in a parish with wages equal to  
2           or greater than one hundred and fifty percent of the parish average wage.

3           (2) A reimbursable grant to retain highly skilled workers with advanced  
4           degrees, as approved by the secretary in accordance with program rules.

5           C.(1) A company may be eligible for participation in the program if it meets  
6           either of the following minimum criteria and is approved by the secretary:

7           (a)(i) If the proposed project is located in a distressed area and the company  
8           will pay wages on new jobs created equal to or greater than one hundred ten percent  
9           of the lesser of the parish average wage or the regional average wage.

10          (ii) If the proposed project is located outside of a distressed area and the  
11          company will pay wages on new jobs created equal to or greater than one hundred  
12          twenty-five percent of the parish average wage.

13          (b) Retains highly skilled workers with advanced degrees.

14          (2)(a) Companies primarily engaged in the following sectors are ineligible  
15          for participation in the program:

16           (i) Gaming.

17           (ii) Retail sales.

18           (iii) Professional sports teams.

19           (iv) State and political subdivision enterprises.

20           (v) Automotive rental and leasing.

21           (vi) Local solid waste disposal.

22           (vii) Local sewage systems.

23           (viii) Local water systems.

24          (b) LED may promulgate rules listing other professions or industries which  
25          are eligible or ineligible for program participation.

26          D.(1) LED shall establish an application process for the program and  
27          establish an application fee for the program in accordance with R.S. 36:104.

28          (2) Upon receipt of a company's application and the fee imposed pursuant  
29          to Paragraph (1) of this Subsection, LED staff shall review the application and any

1 other information the secretary deems appropriate for a determination of the project's  
2 eligibility.

3 (3) If LED staff determine that an applicant is eligible, funding is available,  
4 and that a grant would be in the best interest of the state, the secretary may execute  
5 a contract with an applicant that contains the terms and conditions of the applicant's  
6 participation in the program. The initial term of the contract shall be for three years;  
7 however, the contract may be renewed for a single two-year period if the grant  
8 recipient has complied with the provisions of this Section and all the terms of the  
9 contract and has not performed or failed to perform any act which would have made  
10 the applicant default on any of the terms of the contract.

11 (4)(a) A qualifying company may make a request for reimbursement by  
12 submitting to LED an expenditure verification report detailing qualifying  
13 expenditures. The qualifying company may submit the request for reimbursement  
14 either annually or at the end of the initial and renewed contract periods, as  
15 applicable.

16 (b) LED staff shall review the expenditure verification report and issue  
17 reimbursement payments for qualifying expenses.

18 (5) If an application is denied or if a reimbursement request is denied in  
19 whole or in part, LED shall issue a written basis for denial.

20 E. A qualifying company shall not receive any other incentive administered  
21 by LED for any expenditure or job for which it has received a grant pursuant to the  
22 provisions of this Section nor can the company be receiving a benefit from the  
23 Louisiana Quality Jobs Program, established pursuant to R.S. 51:2451 et seq.

24 F. The secretary may promulgate rules in accordance with the Administrative  
25 Procedure Act to carry out the provisions of this Section. Notwithstanding any  
26 provision of the Administrative Procedure Act to the contrary, rules promulgated  
27 pursuant to the provisions of this Section are subject to the oversight of the House  
28 Committee on Ways and Means and the Senate Committee on Revenue and Fiscal  
29 Affairs.

1           G. No incentive shall be awarded pursuant to the provisions of this Section  
2           for applications received on or after July 1, 2035.

3           H.(1) There is hereby established in the state treasury as a special fund the  
4           High Impact Job Fund, hereafter referred to in this Section as the "fund." Beginning  
5           July 1, 2025, and continuing each fiscal year thereafter, after compliance with the  
6           provisions of Art. VII, Sec. 9(B) of the Constitution of Louisiana relative to the Bond  
7           Security and Redemption Fund, the treasurer shall deposit monies into the fund as  
8           follows:

9           (a) If corporate income tax collections for the fiscal year are one billion  
10          dollars or less, the treasurer shall deposit ten percent of all such collections into the  
11          fund.

12          (b) If corporate income tax collections for the fiscal year exceed one billion  
13          dollars, the treasurer shall deposit one hundred twenty-five million dollars from such  
14          collections into the fund.

15          (2) Monies in the fund shall be invested in the same manner as monies in the  
16          state general fund. Interest earned on investment of monies in the fund shall be  
17          deposited into the fund. Unexpended and unencumbered monies in the fund at the  
18          end of the fiscal year shall remain in the fund.

19          (3) Monies in the fund shall be appropriated to LED for awarding incentives  
20          pursuant to the provisions of this Section.

21          Section 2. Notwithstanding any provision of this Act to the contrary, deposits into  
22          the High Impact Job Fund shall be calculated using corporate income and franchise tax  
23          collections for any fiscal year in which corporate franchise taxes are collected.

24          Section 3. The provisions of this Act shall become effective on July 1, 2025.

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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)]

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HB 507 Reengrossed

2025 Regular Session

Emerson

**Abstract:** Establishes the High Impact Jobs Program (program) within La. Economic Development (LED) and provides for administration, qualifications, and funding of the program.

Proposed law establishes the program within LED and provides for administration. Allows the secretary of LED to grant any of the following incentives pursuant to the program to companies authorized to do business in La.

- (1) A reimbursable grant of a percentage of annualized wages paid for qualifying jobs, not to exceed \$2000 per year, per job, based upon the parish average wage paid where the project site identified on the company's application is located at the time the incentive contract is executed, subject to the following conditions:
  - (a) 8% for a project located in a distressed area with wages equal to or greater than 110% but less than 125% of the lesser of the parish average wage or the regional average wage.
  - (b) 18% for a project located in a parish with wages equal to or greater than one hundred and twenty-five percent but less than 150% of the parish average wage.
  - (c) 22% for a project located in a parish with wages equal to or greater than 150% of the parish average wage.
- (2) A reimbursable grant to retain highly skilled workers with advanced degrees, as approved by the secretary in accordance with program rules.

Proposed law defines "wage" as compensation of an employee based on time worked or output of production but does not include benefits or overtime compensation. Further defines "job" to mean a position of employment that meets all of the following criteria:

- (1) Did not exist in the state for that employer prior to the effective date of the incentive contract entered into pursuant to the provisions of proposed law.
- (2) Are for full-time, at-will employees. Does not include seasonal or temporary positions.
- (3) Are directly employed by the company or a named subsidiary in the contract.
- (4) Are filled onsite or remotely by Louisiana employees of the company or a named subsidiary in the contract.
- (5) Include a basic health benefits plan.
- (6) Is approved by the secretary.

Further defines "parish average wage" to mean the average wage in a parish as determined annually by the U.S. Dept. of Labor, Bureau of Labor Statistics, or its successor agency. Defines "regional average wage" to mean the average wage within the geographic

boundaries of the regional economic development organization in which the project is located, as calculated by LED and posted on its website.

Proposed law authorizes a company that meets either of the following minimum criteria to participate in the program if it is approved for participation by the secretary of LED:

- (1) (a) If the project is located in a distressed area and the company will pay wages on new jobs created equal to or greater than 110% of the lesser of the parish average wage or the regional average wage.  
  
(b) If the project is located outside a distressed area and the company will pay wages on new jobs created equal to or greater than 125% of the parish average wage.
- (2) Retains highly skilled workers with advanced degrees.

Further excludes companies primarily engaged in the following sectors from participation in the program:

- (1) Gaming.
- (2) Retail sales.
- (3) Professional sports teams.
- (4) State or political subdivision enterprises.
- (5) Automotive rental and leasing.
- (6) Local solid waste disposal.
- (7) Local Sewage systems.
- (8) Local water systems.

Proposed law authorizes LED to promulgate rules listing other professions or industries that are eligible or ineligible for program participation.

Proposed law requires LED to establish an application process and an application fee pursuant to present law (R.S. 35:104). Requires LED staff to review an application and any other information the secretary deems appropriate for a determination of the project's eligibility for participation. Authorizes the secretary to execute a contract with an applicant pursuant to proposed law if LED staff determines that the applicant is eligible, funding is available, and that a grant to the applicant would be in the best interest of the state. Requires the initial contract pursuant to proposed law to be for a three-year term and authorizes a single two-year extension if the applicant has not breached the terms of the contract.

Proposed law authorizes a grant recipient to make a request for reimbursement by submitting an expenditure verification report to LED detailing qualifying expenditures. Authorizes submission either annually or at the end of the initial and renewed contract periods, as applicable. Requires LED to issue a written basis for denial of any reimbursement request.

Proposed law prohibits a participating company from receiving any other incentive administered by LED for any expenditure or job for which the participating company received a grant pursuant to proposed law nor can the company be receiving a benefit from the La. Quality Jobs Program established pursuant to present law.

Authorizes the secretary to promulgate rules in accordance with the Administrative Procedure Act to carry out the provisions of proposed law. Grants oversight of such rules



to the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

Proposed law prohibits the awarding of incentives pursuant to proposed law on or after July 1, 2035.

Proposed law establishes the High Impact Jobs Fund ("fund") in the treasury as a special fund and provides for the use, investment, and administration of monies in the fund. Requires monies in the fund to be appropriated to LED for awarding incentives pursuant to proposed law. Requires deposits each fiscal year into the fund from corporate and franchise tax collections. If collections are \$1 B or less, 10% of the collections will be deposited into the fund. If collections exceed \$1 B, \$125M will be deposited into the fund.

Effective July 1, 2025.

(Adds R.S. 51:2771)

#### Summary of Amendments Adopted by House

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

1. Make technical changes.
2. Clarify the definition of "wages".
3. Add that the 8% reimbursable grant for distressed areas is contained at less than 125% of the parish average wage.
4. Clarify that requirements are the minimum requirements for approval by the secretary.
5. Clarify that a company may be eligible for participation in the program if it pays wages on new jobs created equal to or greater than 110% of the parish average in a distressed area or 125% if located outside of a distressed area.
6. Change "employs" to "retains" in regards to highly skilled workers with advanced degrees.
7. Remove construction companies as ineligible from the program.
8. Add that a company does not qualify if it is participating in a current quality job contract.
9. Add that the franchise tax shall also be included in the one billion dollar threshold before the distribution by the treasurer for the fund.
10. Clarify that the amount to be put towards the fund shall be calculated on the total amount of corporate and franchise taxes collected.

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

1. Modify definition of "basic health benefits plan" to allow the secretary of LED to establish certain criteria by rule.
2. Add definition of "regional average wage".

3. Authorize award of grants to projects in distressed areas with wages equal to or greater than 110% but less than 120% of the regional average wage.
4. Add eligibility criteria for companies based on their location and their payroll versus the regional average wage.
5. Refine language regarding deposits into the fund.
6. Add language including corporate franchise tax collections in calculation of deposits into the fund for any fiscal year in which these taxes are collected.
7. Make technical changes.