RÉSUMÉ DIGEST

ACT 372 (HB 507) **2025 Regular Session** **Emerson**

New law establishes the High Impact Jobs Program (program) within La. Economic Development (LED) to encourage companies to create jobs that pay above the parish average wage and offer a basic health benefits plan. Provides for administration, qualifications, and funding of the program. 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 $200,000 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 125% 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.

New 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 new law.

(2) Is for full-time, at-will employees. Does not include seasonal or temporary positions.

(3) Is directly employed by the company or a named subsidiary in the contract.

(4) Is filled onsite or remotely by Louisiana employees of the company or a named subsidiary in the contract.

(5) Includes 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.

New 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) 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 or 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.

New law 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.

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

New law requires LED to establish an application process and an application fee pursuant to existing law (R.S. 36:104). 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 new 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 new 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.

New 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.

New 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 new law nor can the company be receiving a benefit from the La. Quality Jobs Program established pursuant to existing law (R.S. 51:2451 et seq.).

Authorizes the secretary to promulgate rules in accordance with the Administrative Procedure Act to carry out the provisions of new law. Requires rules promulgated to be approved by the Joint Legislative Committee on the Budget.

New law prohibits the awarding of incentives pursuant to new law for applications received on or after July 1, 2035.

New 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 new law.

New law prohibits LED from issuing any grant pursuant to new law before July 1, 2026.

Effective July 1, 2025.

(Adds R.S. 51:2771)