

2026 Regular Session

HOUSE BILL NO. 829

BY REPRESENTATIVE JORDAN

ECONOMIC DEVELOPMENT: Provides for the Louisiana Minority Business Development Fund

1 AN ACT

2 To enact Chapter 70 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised  
3 of R.S. 51:3301 through 3307, relative to the Louisiana Minority Business  
4 Development Fund; to provide for legislative purpose; to provide for definitions; to  
5 provide for the establishment of a fund; to provide for a loan program; to provide for  
6 technical assistance; to provide for administration; to provide for interagency  
7 coordination; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 70 of Title 51 of the Louisiana Revised Statutes of 1950,  
10 comprised of R.S. 51:3301 through 3307 is hereby enacted to read as follows:

11 CHAPTER 70. LOUISIANA MINORITY BUSINESS DEVELOPMENT FUND

12 §3301. Legislative findings and purpose

13 A. The legislature hereby finds and declares that:

14 (1) Minority-owned businesses in this state face systemic barriers to capital  
15 access, including discriminatory lending practices, lower collateral asset bases  
16 resulting from historical wealth exclusion, and lack of access to traditional financial  
17 networks.

18 (2) The racial wealth gap in this state is a direct consequence of historically  
19 sanctioned discrimination in employment, housing, and business ownership, and  
20 represents an ongoing economic harm to the state.

1           (3) Access to affordable capital is the single most significant factor limiting  
2           the formation and growth of minority-owned small businesses.

3           (4) State investment in minority business development yields measurable  
4           returns through tax revenue generation, job creation, and community wealth  
5           building.

6           B. It is therefore the purpose of this Chapter to establish the Louisiana  
7           Minority Business Development Fund as a revolving loan fund to provide accessible,  
8           low-interest financing to qualified minority-owned businesses throughout the state.

9           §3302. Definitions

10           As used in this Chapter, the following terms have the following meanings:

11           (1) "Department" means Louisiana Economic Development.

12           (2) "Eligible business" means a for-profit business entity that does all of the  
13           following:

14           (a) Is majority-owned, more than fifty percent, by one or more minority  
15           persons.

16           (b) Has been in operation for at least twelve consecutive months prior to  
17           application, except as provided in R.S. 51:3304(D).

18           (c) Employs fifty or fewer full-time equivalent employees.

19           (d) Has annual gross revenues of five million dollars or less in the preceding  
20           fiscal year.

21           (e) Is registered and in good standing with the secretary of state.

22           (f) Is current on all state and local tax obligations or is in an approved  
23           repayment plan.

24           (3) "Fund" means the Louisiana Minority Business Development Fund  
25           established pursuant to R.S. 51:3303.

26           (4) "Minority person" means an individual who is a citizen or lawful  
27           permanent resident of the United States and who is a member of one of the following  
28           groups:

1           (a) African American or Black, a person having origins in any of the Black  
2           racial groups of Africa.

3           (b) Hispanic American, a person of Mexican, Puerto Rican, Cuban,  
4           Dominican, Central or South American, or other Spanish or Portuguese culture or  
5           origin.

6           (c) Asian Pacific American, a person having origins in any of the original  
7           peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific  
8           Islands.

9           (d) Native American, a person having origins in any of the original peoples  
10           of North America and maintaining cultural identification through tribal affiliation or  
11           community recognition.

12           (e) Women-owned business, a business majority-owned by women,  
13           regardless of race or ethnicity, for purposes of this Chapter when combined with any  
14           other qualifying characteristic listed herein.

15           (5) "Loan" means a financial obligation made from the fund to an eligible  
16           business pursuant to this Chapter.

17           (6) "Secretary" means the secretary of Louisiana Economic Development or  
18           his designee.

19           §3303. Louisiana Minority Business Development Fund; establishment

20           A. There is hereby established in the state treasury, as a special fund, the  
21           Louisiana Minority Business Development Fund. The fund shall be a revolving loan  
22           fund and shall consist of all of the following:

23                   (1) Monies appropriated by the legislature for deposit into the fund.

24                   (2) Repayments of principal and interest on loans made from the fund.

25                   (3) Fees collected pursuant to this Chapter.

26                   (4) Investment income earned on fund balances.

27                   (5) Gifts, grants, donations, and federal funds designated for deposit into the  
28           fund.

1           B. The fund shall be maintained separately from the state general fund.  
2           Monies in the fund shall not revert to the general fund at the end of any fiscal year  
3           but shall remain available for the purposes of this Chapter.

4           C. The initial capitalization of the fund shall be twenty-five million dollars,  
5           subject to legislative appropriation.

6           D. The department may accept and deposit into the fund grants from federal  
7           agencies, private foundations, financial institutions, and other sources for purposes  
8           consistent with this Chapter.

9           §3304. Loan program; terms, eligibility, and application

10           A. The department shall administer a direct loan program from the fund.

11           Loans shall be made available for all of the following eligible purposes:

12           (1) Working capital.

13           (2) Equipment and machinery purchase or lease.

14           (3) Leasehold improvements or build-out costs.

15           (4) Inventory acquisition.

16           (5) Technology and software infrastructure.

17           (6) Business acquisition, if the acquired business continues operations in this  
18           state.

19           (7) Refinancing of existing high-interest debt, subject to the approval of the  
20           secretary.

21           B. Loan amounts shall be as follows:

22           (1) Minimum loan: five thousand dollars.

23           (2) Maximum loan for businesses in operation less than three years: one  
24           hundred fifty thousand dollars.

25           (3) Maximum loan for businesses in operation three or more years: five  
26           hundred thousand dollars.

27           (4) The secretary may, in his discretion, approve loans in excess of the above  
28           maximums not to exceed seven hundred fifty thousand dollars for eligible businesses  
29           demonstrating exceptional economic impact potential, subject to written findings.

1           C. Interest rates shall be set as follows:

2           (1) Loans of one hundred thousand dollars or less: three percent per annum,  
3           fixed.

4           (2) Loans of one hundred thousand one dollars to two hundred fifty thousand  
5           dollars: four percent per annum, fixed.

6           (3) Loans of two hundred fifty thousand one dollars or greater: two percent  
7           below the prime rate as published by the Federal Reserve, not to exceed five percent  
8           per annum.

9           D. Loan terms shall not exceed fifteen years. The department may grant a  
10          deferred repayment period of up to twenty-four months from the date of  
11          disbursement for eligible businesses that have been in operation for fewer than  
12          thirty-six months.

13          E. Collateral requirements shall be flexible and shall not disqualify otherwise  
14          eligible applicants solely on the basis of insufficient traditional collateral. The  
15          department may accept any of the following:

16               (1) Business equipment and inventory.

17               (2) Accounts receivable.

18               (3) Personal guarantee.

19               (4) A lien on projected future contract revenues.

20               (5) Any combination outlined in this Subsection, with the goal of  
21          maximizing access to capital for eligible businesses.

22          F.(1) The department shall create a streamlined, plain-language application  
23          process and shall make applications available in digital and paper form.

24               (2) The department shall render a final decision on a complete application  
25          within sixty calendar days of receipt.

26               (3) All denials shall be in writing and shall include specific reasons for  
27          denial and a description of the appeals process.

1           (4) Applicants may appeal adverse decisions to the secretary within thirty  
2           days of denial. The secretary shall issue a written decision within forty-five days of  
3           receiving an appeal.

4           §3305. Technical assistance and capacity building

5           A. The department shall reserve not less than ten percent of the Fund's  
6           annual administrative budget for the provision of free or subsidized technical  
7           assistance to loan applicants and recipients, including all of the following:

8                   (1) Financial literacy and bookkeeping training.

9                   (2) Business plan development.

10                  (3) Marketing and customer acquisition assistance.

11                  (4) Assistance obtaining state and federal certifications, including  
12                  disadvantaged business enterprise, or DBE, and minority-owned business enterprise,  
13                  or MBE, certifications.

14                  (5) Legal and regulatory compliance guidance.

15                  (6) Mentorship pairing with established Louisiana businesses.

16           B. The department shall partner with the Southern University System,  
17           Grambling State University, Louisiana Community and Technical College System,  
18           and community development financial institutions, or CDFIs, to deliver technical  
19           assistance services.

20           §3306. Administration; staffing; reporting

21           A. The department shall employ a minimum of five full-time employees  
22           dedicated to the administration of the fund, including at least one loan officer for  
23           each of the following regions: northern Louisiana, central Louisiana, the New  
24           Orleans metropolitan area, and the Baton Rouge metropolitan area.

25           B. The department shall submit an annual report to the legislature no later  
26           than February first of each year detailing all of the following:

27                   (1) The total number of loan applications received, approved, denied, and  
28                   pending.

29                   (2) The geographic distribution of loans by parish.



Proposed law defines "department", "eligible business", "fund", "minority person", "loan", and "secretary".

Proposed law establishes the Louisiana Minority Business Development Fund, which shall be a revolving loan fund and shall consist of the following:

- (1) Monies appropriated by the legislature for deposit into the fund.
- (2) Repayments of principal and interest on loans made from the fund.
- (3) Fees collected pursuant to this proposed law.
- (4) Investment income earned on fund balances.
- (5) Gifts, grants, donations, and federal funds designated for deposit into the fund.

Proposed law provides that the fund shall be maintained separately from the state general fund and that monies in the fund shall not revert to the general fund at the end of any fiscal year but shall remain available for the purposes of proposed law.

Proposed law provides that the initial capitalization of the fund shall be \$25 million, subject to legislative appropriation.

Proposed law provides that the department may accept and deposit into the fund grants from federal agencies, private foundations, financial institutions, and other sources for purposes consistent with proposed law.

Proposed law provides that the department shall administer a direct loan program from the Fund. Loans shall be made available for any of the following eligible purposes:

- (1) Working capital.
- (2) Equipment and machinery purchase or lease.
- (3) Leasehold improvements or build-out costs.
- (4) Inventory acquisition.
- (5) Technology and software infrastructure.
- (6) Business acquisition, provided the acquired business continues operations in this state.
- (7) Refinancing of existing high-interest debt, subject to the approval of the secretary.

Proposed law provides for loan amounts and interest rates.

Proposed law provides that loan terms shall not exceed 15 years. The department may grant a deferred repayment period of up to 24 months from the date of disbursement for eligible businesses that have been in operation for fewer than 36 months.

Proposed law provides that collateral requirements shall be flexible and shall not disqualify otherwise eligible applicants solely on the basis of insufficient traditional collateral. Proposed law further provides what the department may accept as collateral.

Proposed law provides that the department shall create a streamlined, plain-language application process and shall make applications available in digital and paper form. Proposed law further provides for final decision, denial, and appealing adverse decisions.

Proposed law provides that the department shall reserve not less than 10% of the fund's annual administrative budget for the provision of free or subsidized technical assistance to loan applicants and recipients. Proposed law further provides for what is considered technical training.

Proposed law provides that the department shall partner with the Southern University System, Grambling State University, Louisiana Community and Technical College System, and community development financial institutions, or CDFIs, to deliver technical assistance services.

Proposed law provides that the department shall employ a minimum of five full-time employees dedicated to the administration of the fund, including at least one loan officer for each of the following regions: northern Louisiana, central Louisiana, the New Orleans metropolitan area, and the Baton Rouge metropolitan area.

Proposed law provides that the department shall submit an annual report to the legislature no later than February 1st of each year and what shall be included in the report.

Proposed law provides that administrative expenses of the fund shall not exceed 8% of the fund's average annual balance.

Proposed law provides that the department shall actively pursue and apply for all applicable federal grants and matching funds, including but not limited to Small Business Administration programs, Treasury Department CDFI programs, and Economic Development Administration grants, to supplement the fund.

Proposed law provides that the department shall coordinate with the La. Housing Corporation, the office of financial institutions, and La. Works to ensure alignment of economic development efforts serving minority communities.

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

(Adds R.S. 51:3301-3307)