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## DIGEST

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HB 829 Original

2026 Regular Session

Jordan

**Abstract:** Provides relative to the Louisiana Minority Business Development Fund.

Proposed law provides for legislative findings and purpose.

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)