

Regular Session, 2014

SENATE BILL NO. 573

BY SENATOR CHABERT

PUBLIC TRANSPORTATION. Creates the office of multimodal commerce in the Department of Economic Development and transfers certain powers, duties, and resources from the Department of Transportation and Development to the Department of Economic Development. (gov sig)

AN ACT

To amend and reenact R.S. 36:101(B) and (C)(1), the introductory paragraph of 104(B)(1)(a), 107(A), and 108(A) and to enact R.S. 36:110, relative to the creation of an office of multimodal commerce in the Department of Economic Development; to provide for a transfer of certain powers, duties, responsibilities, and corresponding department employees, equipment, facilities, funding, and statutory entities from the Department of Transportation and Development to such office and department; to restructure the Department of Economic Development; to create the Multimodal Commerce Transition Commission and provide for the creation of a transition plan by such commission; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 36:101(B) and (C)(1), the introductory paragraph of 104(B)(1)(a), 107(A), and 108(A) are hereby amended and reenacted and R.S. 36:110 is hereby enacted to read as follows:

§101. Department of Economic Development; creation; domicile; composition; purposes and functions

* * *

1 B. The Department of Economic Development, through its offices and
2 officers, shall be responsible for fostering the growth of industry and other
3 commercial enterprises in Louisiana **and multimodal commerce** that will contribute
4 to the overall improvement of the economy of the state. The department shall
5 promote the advantages of Louisiana to out-of-state business and industry, facilitate
6 the expansion of existing enterprises, **administer, provide for, plan, and facilitate**
7 **multimodal transportation, railroad, public mass transit, public transportation,**
8 **and water transportation systems**, and coordinate with other state agencies and
9 units of local government plans and programs aimed at developing optimum
10 conditions for new and expanding industrial and commercial enterprises in
11 Louisiana, **including effective and efficient multimodal transportation systems**
12 **for such enterprises.**

13 C.(1) The Department of Economic Development shall be composed of the
14 executive office of the secretary, the office of management and finance, **the office**
15 **of multimodal commerce**, the office of business development, and such other
16 offices as shall be created by law.

17 * * *

18 §104. Powers and duties of the secretary of economic development

19 * * *

20 B. The secretary shall have the authority to:

21 (1)(a) Except as otherwise specifically provided in R.S. 36:~~110~~, 801, and ~~R.S.~~
22 ~~36:803~~:

23 * * *

24 §107. Assistant secretaries

25 A. Each office within the Department of Economic Development, except the
26 office of management and finance, ~~and~~ the office of entertainment industry
27 development, **and the office of multimodal commerce**, shall be under the
28 immediate supervision and direction of an assistant secretary. **The office of**
29 **multimodal commerce shall be under the immediate supervision and direction**

of a commissioner of multimodal commerce. The assistant secretary and the commissioner of each such office shall be appointed by the governor with the consent of the Senate. Each shall serve at the pleasure of the governor and shall be paid a salary which shall be fixed by the governor, which salary shall not exceed the amount approved for such position by the legislature while in session.

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§108. Offices; purposes and functions

A. The purposes for which the offices of the Department of Economic Development are created shall be as set forth in this Section **and R.S. 36:110**.

* * *

§110. The Department of Economic Development; restructuring; transition

A. The legislature finds that intrastate transportation is a crucial factor in developing the economy of Louisiana, but under the current structure of state government is not given the attention it deserves. Under present law, the important responsibility of providing, planning, and facilitating multimodal transportation, railroads, public mass transit, public transportation, and water transportation systems is buried in the structure of the Department of Transportation and Development. That large department is tasked with many different responsibilities and duties which make it difficult for it to administratively focus on all of them and at the same time accomplish its important function of providing efficient and cost-effective construction and maintenance of roads, highways, expressways, bridges, drainage, and flood control systems. Therefore, in order to give higher visibility and action to, and allow greater concentration on, the equally important responsibilities of administering, providing for, planning, and facilitating multimodal transportation, railroad, public mass transit, public transportation, and water transportation systems, the legislature hereby expresses its intention to transfer those administrative responsibilities to the office of multimodal commerce within the Department of Economic Development, restructured as provided for

1 in this Section, capable of giving them the close focus they deserve.

2 B. Notwithstanding any other provision of law to the contrary, in order
3 to implement the intention of the legislature as expressed in Subsection A of this
4 Section, the provisions of this Section shall supercede any contrary or
5 contradictory provisions of Chapter 11 of this Title or any other law.

6 C. All statutory authority for the existence of the Department of
7 Economic Development as structured on the initial effective date of this Section
8 shall cease as of January 1, 2016.

9 D.(1) Except as provided in Paragraph (2) of this Subsection, the powers,
10 duties, responsibilities and corresponding department employees, equipment,
11 facilities, and funding of the Department of Transportation and Development
12 with respect to the function of administering, managing, providing for,
13 planning, and facilitating multimodal transportation, railroads, public mass
14 transit, public transportation, and water transportation systems, and related
15 statutory entities made a part of such department, shall be transferred to the
16 office of multimodal commerce of the Department of Economic Development
17 as structured in Subsection E of this Section, effective January 1, 2016.

18 (2)(a) In order to avoid duplication and extra expense to government,
19 and in order to efficiently use existing expertise:

20 (i) The transfer of function provided for in Paragraph (1) of this
21 Subsection shall not include those employees, equipment, and facilities of the
22 Department of Transportation and Development which are concerned with
23 engineering and construction of projects, permitting, or the funding necessary
24 for costs related to such employees, equipment, and facilities, as determined by
25 the Multimodal Commerce Transition Commission and its approved plan
26 provided for in Subsection F of this Section. However, the commission's
27 approved transition plan shall require the Department of Transportation and
28 Development to provide the services and expertise of such employees,
29 equipment, and facilities upon the request of the office of multimodal commerce

1 of the Department of Economic Development at no cost to such office.

2 (ii) The initial level of funding for the employees, equipment, facilities,
3 and funding transferred pursuant to this Subsection, and for the administration
4 thereof, shall not exceed an amount equal to the percentage that such funding
5 bears to the total funding of the Department of Transportation and
6 Development in the fiscal year prior to the transfer.

7 (b) Any powers, duties, responsibilities and corresponding department
8 employees, equipment, facilities, and funding of the Department of
9 Transportation and Development with respect to federal programs on rail
10 safety and the administration of federal rail safety and hazard mitigation funds
11 and the like shall remain with the Department of Transportation and
12 Development.

13 E.(1) The Department of Economic Development shall be restructured,
14 effective January 1, 2016, to be composed of the offices provided for on that
15 date and the office of multimodal commerce.

16 (2)(a) The office of multimodal commerce shall be under the supervision
17 of a commissioner of multimodal commerce, and shall be vested with the
18 powers, duties, responsibilities, budgetary authority, employees, equipment,
19 facilities, and funding provided for in Subsection D of this Section. The
20 commissioner shall be authorized to employ, appoint, remove, assign, and
21 promote such personnel as is necessary for the efficient administration required
22 in performing these responsibilities, in accordance with applicable civil service
23 laws, rules, and applicable laws. The secretary and deputy secretary of the
24 department shall have no authority to exercise, review, administer, or
25 implement the powers, duties, functions, and responsibilities provided or
26 authorized for the office pursuant to this Section. However, the undersecretary
27 of the department shall, under the supervision and control of the secretary,
28 perform and administer those functions of the office which he is required to
29 perform and administer to the extent provided for in this Section.

1 **(b) Such powers, duties, responsibilities, budgetary authority, employees,**
2 **equipment, facilities, and funding of the office of multimodal commerce shall**
3 **be allocated among the following divisions which shall be provided for by law**
4 **in such office:**

5 **(i) Commercial Road Transportation.**

6 **(ii) Public Transit.**

7 **(iii) Ports and Harbors.**

8 **(iv) Rail.**

9 **(v) Maritime Industry and Waterways.**

10 **(vi) Offshore Terminal Authority.**

11 **(3) Except for the office of multimodal commerce, the remainder of the**
12 **Department of Economic Development shall retain the same organizational**
13 **structure as it has prior to January 1, 2016.**

14 **F.(1) The Multimodal Commerce Transition Commission is hereby**
15 **established within the office of the governor. It shall be composed of the**
16 **following:**

17 **(a) The commissioner of administration, or his designee, who shall be**
18 **chair of the commission.**

19 **(b) The secretary of the Department of Economic Development, or his**
20 **designee.**

21 **(c) The secretary of the Department of Transportation and Development,**
22 **or his designee.**

23 **(d) The chairs of the Senate and House committees on Transportation,**
24 **Highways, and Public Works, or their designees.**

25 **(e) The chairs of the Senate Committee on Commerce, Consumer**
26 **Protection, and International Affairs and the House Committee on Commerce,**
27 **or their designees.**

28 **(f) A representative of the Ports Association of Louisiana selected by its**
29 **board of directors.**

1 (g) A representative of the Louisiana Association of Waterway Operators
2 and Shipyards selected by its board of directors.

3 (h) An airport executive selected by the president of the Senate.

4 (h) A representative of the Louisiana Motor Transport Association
5 selected by its board of directors.

6 (i) A representative of the Louisiana Railroad Association selected by the
7 speaker of the House of Representatives.

8 (j) The chairman of the Louisiana Board of International Commerce, or
9 his designee.

10 (k) The chairman of the board of the Offshore Marine Service
11 Association, or his designee.

12 (2) The Multimodal Commerce Transition Commission shall meet and
13 develop a transition plan for the 2015 Regular Session of the Legislature for the
14 following:

15 (a) The orderly and efficient transfer from the Department of
16 Transportation and Development to the office of multimodal commerce of the
17 Department of Economic Development of the powers, duties, responsibilities
18 and corresponding department employees, equipment, facilities, and funding
19 with respect to the function of administering, managing, providing for,
20 planning, and facilitating multimodal transportation, railroads, public mass
21 transit, public transportation, and water transportation systems, and related
22 statutory entities made a part of the Department of Transportation and
23 Development as provided for in Subsection D of this Section, to become effective
24 on January 1, 2016.

25 (b) The organizational structure of the office of multimodal commerce,
26 with an allocation of the powers, duties, responsibilities, officers, equipment,
27 and employees among the specific divisions provided for in Subparagraph
28 (E)(2)(b) of this Section, to become effective on January 1, 2016.

29 (c) Proposed legislation for the 2015 Regular Session of the Legislature

1 **necessary to implement the transition plan on January 1, 2016.**

2 **(3) A majority of the members of the commission shall constitute a**
3 **quorum for the purpose of taking any action, and actions of the commission**
4 **may be taken by an affirmative vote of the members of the commission present.**

5 **(4) The transition plan of the Multimodal Commerce Transition**
6 **Commission shall be presented to the Senate Committee on Commerce,**
7 **Consumer Protection, and International Affairs and the House Committee on**
8 **Commerce for their review, amendment, and approval no later than February**
9 **1, 2015.**

10 Section 2. This Act shall become effective upon signature by the governor or, if not
11 signed by the governor, upon expiration of the time for bills to become law without signature
12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
14 effective on the day following such approval.

The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Nancy Vicknair.

DIGEST

Chabert (SB 573)

Proposed law terminates all statutory authority for the existence of the Department of Economic Development (DED) on January 1, 2016.

Proposed law requires the transfer to the office of multimodal commerce of the Department of Economic Development, as created and structured in the proposed law effective January 1, 2016, of the powers, duties, responsibilities and corresponding department employees, equipment, facilities, and funding of the Department of Transportation and Development (DOTD) with respect to the function of administering, managing, providing for, planning, and facilitating multimodal transportation, railroads, public mass transit, public transportation, and water transportation systems, and related statutory entities made a part of such department (hereafter called "multimodal functions").

However, in order to avoid duplication and extra expense to government, and in order to efficiently use existing expertise:

- (1) Employees, equipment, and facilities of DOTD, which are concerned with engineering and construction of projects, permitting, or the funding necessary for costs related to such employees, equipment, and facilities, as determined by the Multimodal Commerce Transition Commission and its approved plan (see below) are not transferred, but the commission's approved transition plan must require DOTD to provide the services and expertise of such employees, equipment, and facilities upon the request of the office of multimodal commerce, at no cost to such

office.

- (2) The initial level of funding for the employees, equipment, facilities, and funding transferred, and administration thereof, must not exceed an amount equal to the percentage that such funding bears to the total funding of DOTD in the fiscal year prior to the transfer.
- (3) Any powers, duties, responsibilities and corresponding department employees, equipment, facilities, and funding of DOTD with respect to federal programs on rail safety and the administration of federal rail safety and hazard mitigation funds and the like must remain with DOTD.

Proposed law requires DED to be restructured and re-created, effective January 1, 2016, and shall be composed of the offices in DED provided for on that date and the office of multimodal commerce.

Proposed law provides that the office is under the supervision of a Commissioner of Multimodal Commerce, and is vested with the multimodal functions. The commissioner is authorized to employ, appoint, remove, assign, and promote such personnel as is necessary for the efficient administration required in performing those responsibilities, subject to budgetary control of DED. The secretary and deputy secretary of the department have no authority to exercise, review, administer, or implement the powers, duties, functions, and responsibilities provided or authorized for the office pursuant to the proposed law. However, the undersecretary of DED shall, under the supervision and control of the secretary, perform and administer those functions of the office that he is required to perform and administer to the extent provided for in present law.

Proposed law requires the multimodal functions and employees, equipment, facilities, and funding to be allocated among the following divisions that must be provided for by law in the office:

- (1) Commercial Road Transportation.
- (2) Public Transit.
- (3) Ports and Harbors.
- (4) Rail.
- (5) Maritime Industry and Waterways.
- (6) Offshore Terminal Authority.

Except for the office of multimodal commerce, the remainder of DED is to retain the same organizational structure as DED has prior to January 1, 2016.

Proposed law establishes the Multimodal Commerce Transition Commission within the office of the governor composed of the following:

- (1) The Commissioner of Administration, or his designee, who is the chair of the commission.
- (2) The secretary of DED, or his designee.
- (3) The secretary of DOTD, or his designee.
- (4) The chairs of the Senate and House committees on Transportation, Highways, and Public Works, or their designees.

- (5) The chairs of the Senate Committee on Commerce, Consumer Protection, and International Affairs and the House Committee on Commerce, or their designees.
- (6) A representative of the Ports Association of Louisiana selected by its board of directors.
- (7) A representative of the Louisiana Association of Waterway Operators and Shipyards selected by its board.
- (8) An airport executive selected by the president of the Senate.
- (9) A representative selected by the Louisiana Motor Transport Association selected by its board.
- (10) A representative of the Louisiana Railroad Association selected by the speaker of the House of Representatives.
- (11) The chairman of the La. Board of International Commerce, or his designee.
- (12) The chairman of the board of the Offshore Marine Service Association, or his designee.

The transition commission must meet and develop a transition plan for the 2015 Regular Session for the following:

- (1) The orderly and efficient transfer from DOTD to the office of multimodal commerce of the multimodal functions powers, duties, responsibilities and corresponding department employees, equipment, facilities, and funding with respect to the multimodal functions of DOTD, to become effective on January 1, 2016.
- (2) The organizational structure of the office of multimodal commerce, with an allocation of the powers, duties, responsibilities, officers, equipment, and employees among the specific divisions provided for in the proposed law (see above) to become effective on January 1, 2016.
- (3) Proposed legislation for the 2015 Regular Session necessary to implement the transition plan on January 1, 2016.

Proposed law requires the transition plan to be presented to the Senate Committee on Commerce, Consumer Protection, and International Affairs and the House Committee on Commerce for the respective committee's review, amendment, and approval no later than February 1, 2015.

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

(Amends R.S. 36:101(B), and (C)(1), 104(B)(1)(a)(intro para), 107(A), and 108(A); adds R.S. 36:110)

Summary of Amendments Adopted by Senate

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

1. Revises name of department from Department of Economic Development and Multimodal Commerce to Department of Economic Development.
2. Provides that Dept. of Transportation and Development shall provide

services and expertise in the transfer of the office of multimodal commerce at no cost to the office.

3. Authorizes funding for administrative costs.
4. Adds a member to the Multimodal Commerce Transition Commission.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Technical amendments.
2. Provides for Ports Association of Louisiana designee.

Senate Floor Amendments to reengrossed bill

1. Makes technical changes.
2. Removes the aviation division from the office of multimodal commerce and all references to aviation.
3. Removes the representative of the Louisiana Airport Managers Association as a member of the commission.
4. Changes the date required for submission of the commission's transition plan from prior to the 2015 Regular Session to no later than February 1, 2015.