

2018 Regular Session

HOUSE BILL NO. 754

BY REPRESENTATIVES FOIL, ARMES, STEVE CARTER, COX, CREWS, GAINES,
GISCLAIR, HAZEL, HOWARD, TERRY LANDRY, AND PIERRE AND
SENATORS FANNIN AND TARVER

ECONOMIC DEVELOPMENT: Provides relative to certain veteran-owned small
entrepreneurships

1 AN ACT

2 To amend and reenact R.S. 39:2006(A)(4) and 2176(A)(4), relative to the Hudson Initiative
3 and the Louisiana Initiative for Veteran and Service-Connected Disabled
4 Veteran-Owned Small Entrepreneurships; to provide relative to maximum gross
5 receipts thresholds for such entrepreneurships; to provide for adjustments relative to
6 the Consumer Price Index; to provide for effectiveness; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:2006(A)(4) and R.S. 39:2176(A)(4) are hereby amended and
10 reenacted to read as follows:

11 §2006. Certification of businesses by Department of Economic Development;
12 listing of small entrepreneurships; reporting

13 A. The secretary of the Department of Economic Development, hereinafter
14 the "department", shall certify businesses as small entrepreneurships for the purposes
15 of this Chapter. "Small entrepreneurship" means any corporation, partnership,
16 individual, sole proprietorship, joint stock company, joint venture, or any other legal
17 entity which meets all of the following criteria:

18 * * *

19 (4)(a) Together with any of its affiliate entities, has fewer than fifty full-time
20 employees with average annual gross receipts not exceeding ten million dollars per

1 year for construction operations and five million dollars per year for nonconstruction
2 operations, for each of the previous three tax years.

3 (b) The maximum amounts described in Subparagraph (a) of this Paragraph
4 shall be annually adjusted by the Department of Economic Development according
5 to the Consumer Price Index for All Urban Consumers (CPI-U) for the South.

6 * * *

7 §2176. Certification of businesses by Department of Economic Development;
8 listing of veteran and service-connected disabled veteran-owned small
9 entrepreneurships; reporting

10 A. The secretary of the Department of Economic Development, hereinafter
11 referred to in this Section as the "department", shall certify businesses as veteran and
12 service-connected disabled veteran-owned small entrepreneurships for the purposes
13 of this Chapter. "Veteran-owned small entrepreneurship" and "service-connected
14 disabled veteran-owned small entrepreneurship" means any corporation, partnership,
15 individual, sole proprietorship, joint stock company, joint venture, or any other legal
16 entity which meets all of the following criteria:

17 * * *

18 (4)(a) Together with any of its affiliate entities, has fewer than fifty full-time
19 employees with average annual gross receipts not exceeding ten million dollars per
20 year for construction operations and five million dollars per year for nonconstruction
21 operations, for each of the previous three tax years.

22 (b) The maximum amounts described in Subparagraph (a) of this Paragraph
23 shall be annually adjusted by the Department of Economic Development according
24 to the Consumer Price Index for All Urban Consumers (CPI-U) for the South.

25 * * *

26 Section 2. This Act shall become effective upon signature by the governor or, if not
27 signed by the governor, upon expiration of the time for bills to become law without signature
28 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

- 1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.
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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)]

HB 754 Engrossed

2018 Regular Session

Foil

Abstract: Requires the maximum gross receipts thresholds for small businesses applying for certification as small entrepreneurship or veteran-owned small entrepreneurship be adjusted annually.

Present law requires the secretary of the Dept. of Economic Development to certify a business as a veteran and service-connected disabled veteran-owned small entrepreneurship if the business meets all of the following criteria:

- (1) Independently owned and operated.
- (2) Not dominant in its field of operations, to be determined by consideration of the business' number of employees, volume of business, financial resources, competitive status, and ownership or control of materials, processes, patents, license agreements, facilities, and sales territory.
- (3) Is owned by and has officers who are citizens or legal residents of the U.S., all of whom are domiciled in La., and who maintain the principal business office in La.
- (4) Together with any of its affiliate entities, has fewer than 50 full-time employees with average annual gross receipts not exceeding a maximum of \$10,000,000 per year for construction operations and \$5,000,000 per year for nonconstruction operations, for each of the previous three tax years.

Proposed law requires the Dept. of Economic Development to annually adjust the maximum amounts in present law based on the Consumer Price Index for All Urban Consumers (CPI-U) for the South.

Present law requires the secretary of the Dept. of Economic Development to certify businesses as small entrepreneurship if the business meets all of the following criteria:

- (1) Independently owned and operated.
- (2) Not dominant in its field of operations, to be determined by consideration of the business' number of employees, volume of business, financial resources, competitive status, and ownership or control of materials, processes, patents, license agreements, facilities, and sales territory.
- (3) Is owned by and has officers who are citizens or legal residents of the U.S., all of whom are domiciled in La., and who maintain the principal business office in La.
- (4) Together with any of its affiliate entities, has fewer than 50 full-time employees with average annual gross receipts not exceeding a maximum of \$10,000,000 per year for construction operations and \$5,000,000 per year for nonconstruction operations, for each of the previous three tax years.

Proposed law requires the Dept. of Economic Development to annually adjust the maximum amounts in present law based on the Consumer Price Index for All Urban Consumers (CPI-U) for the South.

Proposed law otherwise retains present law.

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

(Amends R.S. 39:2006(A)(4) and 2176(A)(4))

Summary of Amendments Adopted by House

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

1. Add the Hudson Initiative to proposed law.
2. Require maximum amount limits, relative to small entrepreneurship, be adjusted annually based on Consumer Price Index.
3. Replace previously deleted language providing maximum amount limits relative to veteran-owned entrepreneurship.
4. Require maximum amount limits, relative to veteran-owned entrepreneurship, be adjusted annually based on Consumer Price Index.