



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 507** HLS 25RS 804

Bill Text Version: **RE-REENGROSSED**

Opp. Chamb. Action: **W/ SEN FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> June 8, 2025	10:46 PM	<b>Author:</b> EMERSON
<b>Dept./Agy.:</b> Louisiana Economic Development		
<b>Subject:</b> High Impact Jobs Program		<b>Analyst:</b> Noah O'Dell

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Establishes the High Impact Job Program within Louisiana Economic Development and provides for administration of the program

Proposed law creates the High Impact Job Program within Louisiana Economic Development (LED) authorizing LED to enter into contractual obligations for grants to certain companies for up to 22% of wages excluding overtime. Wages are capped at \$200,000 per year per job plus an unspecified amount for advanced degree jobs retained implying an annual grant cap of \$44,000 per job for up to five years (\$220,000 per job grant total). Program parameters are defined mostly by LED, though optional rules with Joint Legislative Committee on the Budget (JLCB) approval and a mandatory appropriation will be required. The bill specifies prohibited industries and selected participants must meet certain wage or job retention criteria. Proposed law authorizes LED to impose an application fee, presumably to cover administrative costs. Proposed law establishes but does not fund the High Impact Job Fund.

Effective July 1, 2025 with an applications sunset on July 1, 2035. However, LED may not issue grants until July 1, 2026.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$100,000	\$0	\$0	\$0	\$0	\$100,000
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

**EXPENDITURE EXPLANATION**

The bill creates a ten year High Impact Jobs program within LED, allowing the department to issue grants from the High Impact Jobs Fund beginning in FY27 to certain businesses for salaries paid above the lower of the average parish wage or regional average wage for newly created jobs or the retention of labor with advanced degrees. Should the program secure funding, the bill is anticipated to increase statutory dedication expenditures by an indeterminable amount, depending on program participation and the approved appropriation. LED is anticipated to increase SGF spending by \$100,000 in FY26 on one-time expenses for software used for applications and tracking. Existing staff will be able to administer the program. LFO assumes application fees authorized in the bill will be used to offset any administration costs.

Grants are paid to companies each year to reimburse a percentage of wages paid for an unlimited number of new jobs, not to exceed \$200,000 per year per job. The wage reimbursement percentages range from 8% to 22% of paid wages. An unspecified grant amount (promulgated via rule) is available for the retention of workers with advanced degrees under the program. The bill prevents companies from receiving Quality Jobs benefits and the benefits of this new program.

Treasury requires certain resources to create and administer a statutory dedication, as in this measure. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

**REVENUE EXPLANATION**

The bill creates the High Impact Jobs Fund but does not provide an initial or recurring source of deposits. The LFO assumes any funds deposited into the new statutory dedication will be by legislative appropriation, presumably from a SGF equivalent source. Any interest that accumulates in the fund is directed to remain in the fund, potentially increasing statutory dedication revenue by an indeterminable amount. **The source of deposits at this time is not identified, but deposits appear to be mandatory once a 5-year contractual obligation as authorized in the bill is established by LED beginning on July 1, 2025. Presumably, an appropriation will be required and funds identified prior to finalization of any contracts.**

The bill allows LED to charge a fee on applications for the High Impact Jobs program, potentially resulting in an indeterminable increase in SGR beginning in FY26 depending on the number of applications for the program. LED is currently statutorily authorized to charge an application fee of 0.5% of the amount of the incentive, with a minimum of \$500 and maximum of \$15,000.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<div>Deborah Vivien Chief Economist</div>