

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 507

2025 Regular Session

Emerson

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

Synopsis of Senate Amendments

1. Removes oversight of rules promulgated for the program from the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.
2. Requires approval of any rules promulgated for the program by the Joint Legislative Committee on the Budget.
3. Removes provisions requiring deposit of certain amounts of corporate income tax receipts into the High Impact Job Fund each year. Instead authorize deposit of any monies transferred, donated, or appropriated by the legislature into the fund.
4. Prohibits La. Economic Development from issuing the first grant pursuant to proposed law until at least July 1, 2026.

Digest of Bill as Finally Passed by Senate

Proposed law establishes the High Impact Jobs Program (program) within La. Economic Development (LED) and provides for administration, qualifications, and funding of the program. Allows the secretary of LED to grant any of the following incentives pursuant to the program to companies authorized to do business in La.:

- (1) A reimbursable grant of a percentage of annualized wages paid for qualifying jobs, not to exceed \$2000 per year, per job, based upon the parish average wage paid where the project site identified on the company's application is located at the time the incentive contract is executed, subject to the following conditions:
 - (a) 8% for a project located in a distressed area with wages equal to or greater than 110% but less than 125% of the lesser of the parish average wage or the regional average wage.
 - (b) 18% for a project located in a parish with wages equal to or greater than one hundred and twenty-five percent but less than 150% of the parish average wage.
 - (c) 22% for a project located in a parish with wages equal to or greater than 150% of the parish average wage.
- (2) A reimbursable grant to retain highly skilled workers with advanced degrees, as approved by the secretary in accordance with program rules.

Proposed law defines "wage" as compensation of an employee based on time worked or output of production but does not include benefits or overtime compensation. Further defines "job" to mean a position of employment that meets all of the following criteria:

- (1) Did not exist in the state for that employer prior to the effective date of the incentive contract entered into pursuant to the provisions of proposed law.

- (2) Are for full-time, at-will employees. Does not include seasonal or temporary positions.
- (3) Are directly employed by the company or a named subsidiary in the contract.
- (4) Are filled onsite or remotely by Louisiana employees of the company or a named subsidiary in the contract.
- (5) Include a basic health benefits plan.
- (6) Is approved by the secretary.

Further defines "parish average wage" to mean the average wage in a parish as determined annually by the U.S. Dept. of Labor, Bureau of Labor Statistics, or its successor agency. Defines "regional average wage" to mean the average wage within the geographic boundaries of the regional economic development organization in which the project is located, as calculated by LED and posted on its website.

Proposed law authorizes a company that meets either of the following minimum criteria to participate in the program if it is approved for participation by the secretary of LED:

- (1)
 - (a) If the project is located in a distressed area and the company will pay wages on new jobs created equal to or greater than 110% of the lesser of the parish average wage or the regional average wage.
 - (b) If the project is located outside a distressed area and the company will pay wages on new jobs created equal to or greater than 125% of the parish average wage.
- (2) Retains highly skilled workers with advanced degrees.

Further excludes companies primarily engaged in the following sectors from participation in the program:

- (1) Gaming.
- (2) Retail sales.
- (3) Professional sports teams.
- (4) State or political subdivision enterprises.
- (5) Automotive rental and leasing.
- (6) Local solid waste disposal.
- (7) Local Sewage systems.
- (8) Local water systems.

Proposed law authorizes LED to promulgate rules listing other professions or industries that are eligible or ineligible for program participation.

Proposed law requires LED to establish an application process and an application fee pursuant to present law (R.S. 35:104). Requires LED staff to review an application and any other information the secretary deems appropriate for a determination of the project's eligibility for participation. Authorizes the secretary to execute a contract with an applicant pursuant to proposed law if LED staff determines that the applicant is eligible, funding is available, and that a grant to the applicant would be in the best interest of the state. Requires

the initial contract pursuant to proposed law to be for a three-year term and authorizes a single two-year extension if the applicant has not breached the terms of the contract.

Proposed law authorizes a grant recipient to make a request for reimbursement by submitting an expenditure verification report to LED detailing qualifying expenditures. Authorizes submission either annually or at the end of the initial and renewed contract periods, as applicable. Requires LED to issue a written basis for denial of any reimbursement request.

Proposed law prohibits a participating company from receiving any other incentive administered by LED for any expenditure or job for which the participating company received a grant pursuant to proposed law nor can the company be receiving a benefit from the La. Quality Jobs Program established pursuant to present law.

Authorizes the secretary to promulgate rules in accordance with the Administrative Procedure Act to carry out the provisions of proposed law. Requires rules promulgated to be approved by the Joint Legislative Committee on the Budget.

Proposed law prohibits the awarding of incentives pursuant to proposed law on or after July 1, 2035.

Proposed law establishes the High Impact Jobs Fund ("fund") in the treasury as a special fund and provides for the use, investment, and administration of monies in the fund. Requires monies in the fund to be appropriated to LED for awarding incentives pursuant to proposed law.

Proposed law prohibits LED from issuing any grant pursuant to proposed law until at least July 1, 2026.

Effective July 1, 2025.

(Adds R.S. 51:2771)