

Regular Session, 2011

SENATE BILL NO. 81

BY SENATOR MILLS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ECONOMIC DEVELOPMENT. Creates the Louisiana Buy Local Purchase Incentive Program to promote the consumption of Louisiana agricultural products by granting incentive payments to certain restaurant establishments for purchases of Louisiana agricultural products. (gov sig)

AN ACT

To enact R.S. 3:266(23) and 284, relative to establishing a monetary incentive program to promote purchases of Louisiana agricultural products; to authorize the development and establishment of the Louisiana Buy Local Purchase Incentive Program Fund within the state treasury; to authorize an incentive payment for certain purchases of Louisiana agricultural products by certain restaurant establishments; to provide for the administration of the incentive payment; to provide with respect to financing; to provide for definitions; to provide for certain requirements and termination of the program and fund; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 3:266(23) and 284 are hereby enacted to read as follows:

§266. Powers of authority

The authority shall have all the powers necessary to give effect to and carry out the purposes and provisions of this Chapter, including, in addition to all other powers granted by other provisions of this Chapter, the powers to:

* * *

(23) Establish, administer, and supervise the Louisiana Buy Local

Purchase Incentive Program and the Louisiana Buy Local Purchase Incentive Program Fund, all as provided for in R.S. 3:284.

* * *

§284. Louisiana Buy Local Purchase Incentive Program

A. Title; creation

There is hereby created the Louisiana Buy Local Purchase Incentive Program, hereinafter referred to as the "program", within the Louisiana Department of Agriculture and Forestry, to be administered and supervised by the Louisiana Agricultural Finance Authority, in order to grant incentive payments to Louisiana restaurant establishments for purchases of Louisiana agricultural products.

B. Declaration of purpose

The Legislature of Louisiana hereby finds and declares that the health, safety, and welfare of the people of this state are dependent upon the continued encouragement, development, growth, and expansion of Louisiana farmers and agricultural products. Louisiana residents rely on Louisiana farmers and agricultural processors as their primary source of safe, nutritional, and affordable food. Furthermore, agricultural industries are a major source of employment for Louisiana residents. Therefore, it is declared to be the purpose of this Act to encourage and promote the consumption of Louisiana agricultural products by providing incentive payments to certain Louisiana restaurants for the purchase of Louisiana agricultural products.

C. Definitions

For purposes of this Chapter, the following terms shall have the meaning hereinafter ascribed to them, unless the context clearly indicates otherwise:

(1) "Louisiana coastal waters" shall have the same meaning as provided for in R.S. 49:214.23(4) in the coastal zone law.

(2) "Louisiana coastal zone" shall have the same meaning as provided for in R.S. 49:214.23(5).

1 **(3) "LAFA" means the Louisiana Agricultural Finance Authority.**

2 **(4) "Louisiana agricultural products" means the following products**
3 **produced in Louisiana: agronomic, aquacultural, floricultural, horticultural,**
4 **silvicultural, and viticultural products, including but not limited to: plants,**
5 **crops, livestock, dairy products, and fruits; crawfish, catfish, other fish, shrimp,**
6 **oysters, crabs, underutilized species, and any other seafood and freshwater**
7 **food; and all meat and meat products including beef, veal, pork, mutton,**
8 **poultry, and products made therefrom.**

9 **(5)(a) "Produced in Louisiana" means the process of manufacturing,**
10 **planting, cultivating, growing, catching, or harvesting in Louisiana of Louisiana**
11 **agricultural products, including such products produced in Louisiana coastal**
12 **waters, the Louisiana coastal zone, and in the territorial waters of the state.**

13 **(b) "Produced in Louisiana" shall also mean catching or harvesting**
14 **seafood in waters seaward of the territorial waters of the state by the holder of**
15 **a Louisiana commercial fisherman's license who transports and sells his catch**
16 **to a licensed Louisiana wholesale/retail seafood dealer located within the state**
17 **of Louisiana.**

18 **(6) "Restaurant establishment" means any establishment which has a**
19 **special Class "R" restaurant permit issued pursuant to R.S. 26:73(B) in the**
20 **Alcohol Beverage and Tobacco law, or any establishment which meets the**
21 **definition of "restaurant establishment" as defined in R.S. 26:73(C)(1).**

22 **D. Fund**

23 **(1) There is hereby established a special fund in the state treasury to be**
24 **known as the Louisiana Buy Local Purchase Incentive Program Fund,**
25 **hereinafter referred to as the "fund".**

26 **(2) After compliance with the requirements of Article VII, Section 9(B)**
27 **of the Constitution of Louisiana relative to the Bond Security and Redemption**
28 **Fund any public or private grants, gifts, and donations received by the state or**
29 **the Department of Agriculture and Forestry for the purposes of this Section and**

1 any other revenues as may be provided by law to the fund or as may be
2 appropriated to the fund shall be credited to the fund.

3 (3)(a) The monies in the fund shall be used solely to grant incentive
4 payments under the Louisiana Buy Local Purchase Incentive Program as
5 provided in this Subsection to eligible restaurant establishments for purchases
6 of Louisiana agricultural products.

7 (b) The monies in the fund shall be invested by the state treasurer in the
8 same manner as monies in the state general fund. All interest earned from the
9 investment of the monies in the fund shall be deposited in and remain in the
10 fund. All unexpended and unencumbered money in the fund at the end of the
11 year shall remain in the fund.

12 E. Program

13 (1) The amount of the incentive payment pursuant to this Section shall
14 be four percent of the total costs of the Louisiana agricultural products
15 purchased by the eligible restaurant establishment during a fiscal year.

16 (2) An application for an incentive payment pursuant to this Section
17 shall be provided by LAFA and shall be submitted by an interested restaurant
18 establishment to LAFA within the application period set forth by LAFA based
19 upon the restaurant establishment's purchases of Louisiana agricultural
20 products within that fiscal year.

21 (3) In accordance with the Administrative Procedure Act, LAFA in
22 cooperation with the commissioner of the Department of Agriculture and
23 Forestry shall promulgate rules and regulations as are necessary to implement
24 the provisions of this Section including but not limited to rules and regulations
25 regarding the period within which an application for the incentive shall be
26 submitted in order to be eligible to receive an incentive payment, and the
27 documentation required to be maintained and provided by a restaurant
28 establishment applying for the incentive payment. The regulations may require
29 producers of Louisiana agricultural products to obtain license numbers issued

1 by LAFA evidencing the eligibility of the Louisiana agricultural products
2 produced by them.

3 (4) A restaurant establishment applying for the incentive payment
4 authorized pursuant to this Section shall be required to provide and maintain
5 sufficient documentation evidencing the amount of purchases of Louisiana
6 agricultural products and eligibility to claim the incentive payment as
7 determined by LAFA in regulations issued pursuant to Paragraph (3) of this
8 Subsection.

9 (5) If there is insufficient money in the fund to fully satisfy all timely-filed
10 applications for incentive payments, then incentive payments shall be
11 distributed to the applicants on a pro-rated basis based upon the proportion of
12 Louisiana agricultural products purchased by the applicant to the total amount
13 of such purchases by all applicants.

14 (6) The aggregate amount of incentive payments for the purchase of
15 Louisiana agricultural products issued to restaurant establishments pursuant
16 to this Section shall not exceed seven million dollars, in the aggregate, per fiscal
17 year.

18 **F. Termination of program and fund**

19 The program and fund pursuant to this Section shall terminate on
20 December 31, 2014. Therefore, no rebate payments authorized according to the
21 provisions of this Section shall be granted after December 31, 2014.

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

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Danielle Doiron.

DIGEST

Proposed law creates the Louisiana Buy Local Purchase Incentive Program within the Department of Agriculture and Forestry, administered and supervised by the Louisiana Agricultural Finance Authority, hereinafter referred to as "LAFA" to promote the consumption of Louisiana agricultural products by providing incentive payments to certain Louisiana restaurants for the purchases of Louisiana agricultural products.

Proposed law creates a special fund in the state treasury to be known as the Louisiana Buy Local Purchase Incentive Program Fund, hereinafter referred to as the "fund", supervised and administered by LAFA, to grant eligible restaurant establishments incentive payments for purchases of Louisiana agricultural products.

Proposed law requires compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund. Any public or private grants, gifts, and donations received by the state or the Department of Agriculture and Forestry for the purposes of this Section and any other revenues as may be provided by law shall be credited to the fund. Additionally, funds may be appropriated to the fund by the Legislature.

Proposed law provides that all monies in the fund shall be used solely to grant incentive payments to eligible restaurant establishments for purchases of eligible Louisiana agricultural products. The monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund. All interest earned from the investment of the monies in the fund shall be deposited in and remain to the credit of the fund. All unexpended and unencumbered money in the fund at the end of the year shall remain in the fund.

Proposed law provides for definition of purpose of program.

Proposed law provides for definitions of terms to describe eligibility of Louisiana agricultural products and restaurant establishments:

- (1) "LAFA" means the Louisiana Agricultural Finance Authority.
- (2) "Louisiana agricultural products" means the following products produced in Louisiana: agronomic, aquacultural, floricultural, horticultural, silvicultural, and viticultural products, plants, crops, livestock, dairy products, fruits, and seafood, including but not limited to crawfish, catfish, other fish, shrimp, oysters, crabs, underutilized species, other seafood and freshwater food, meat and meat products, including but not limited to beef, veal, pork, mutton, poultry, and products made thereof.
- (3)(a) "Produced in Louisiana" means the process of manufacturing, planting, cultivating, growing, catching, or harvesting in Louisiana of Louisiana agricultural products, including such products produced in Louisiana coastal waters, the Louisiana coastal zone, and in the territorial waters of the state.
- (b) "Produced in Louisiana" also means catching or harvesting seafood in waters seaward of the territorial waters of the state by the holder of a Louisiana commercial fisherman's license who transports and sells his catch to a licensed Louisiana wholesale/retail seafood dealer located within the state of Louisiana.

- (4) "Restaurant establishment" is defined as any establishment which has a special class "R" restaurant permit issued under the Alcohol Beverage laws, R.S. 26:73(B), or any establishment which meets the definition of "restaurant establishment" as defined in the ABT laws at R.S. 26:73(C)(1), which sets out the following criteria:
- (a) Operates a place of business whose average monthly revenue from food and nonalcoholic beverages exceeds fifty percent of its total average monthly revenue from the sale of food, nonalcoholic beverages, and alcoholic beverages.
 - (b) Serves food on all days of operation.
 - (c) Maintains separate sales figures for alcoholic beverages.
 - (d) Operates a fully equipped kitchen used for the preparation of uncooked foods for service and consumption of such foods on the premises.
 - (e) Has a public habitable floor area of no less than five hundred square feet. This law does not apply to business locations that apply to or have been licensed to sell or serve alcoholic beverages prior to August 1, 2006, and have not discontinued the sale and service of such beverages for more than six months.
- (5) "Coastal waters" has the same meaning as in R.S. 49:214.23(4), which are bays, lakes, inlets, estuaries, rivers, bayous, and other bodies of water within the boundaries of the coastal zone, which have measurable seawater content (under normal weather conditions over a period of years).
- (6) "Coastal zone" has the same meaning as in R.S. 49:214.23(5), which is the coastal waters and adjacent shorelands within the boundaries of the coastal zone established in R.S. 49:214.24, which are strongly influenced by each other, and in proximity to the shorelines, and uses of which have a direct and significant impact on coastal waters.

Proposed law provides for criteria of program:

- (1) The amount of the incentive payment is four percent of the total costs of the "Louisiana agricultural products" purchased by the "restaurant establishment."
- (2) An application for an incentive payment shall be provided by LAFA and shall be submitted to LAFA within the application period set forth by LAFA upon the "restaurant establishments" purchases of "Louisiana agricultural products" within that fiscal year.
- (3) In accordance with the Administrative Procedure Act, LAFA in cooperation with the commissioner of the Department of Agriculture and Forestry shall promulgate rules and regulations as are necessary to implement the provisions of this Section including but not limited to rules and regulations regarding the period within which an application for the incentive shall be submitted in order to be eligible to receive an incentive payment, and the documentation required to be maintained and provided by a restaurant establishment applying for the incentive payment. The regulations may require producers of Louisiana agricultural products to obtain license numbers issued by LAFA evidencing the eligibility of the Louisiana agricultural products produced by them.
- (4) The restaurant establishment applying for the incentive payment is required to provide and maintain sufficient documentation evidencing the amount of purchases of Louisiana agricultural products and eligibility to claim the incentive payment as determined by LAFA.

- (5) If there is insufficient money in the fund to fully satisfy all timely-filed applications for incentive payments, then incentive payments must be distributed to the applicants on a pro-rated basis based upon the proportion of "Louisiana agricultural products" purchased by the applicant to the total amount of such purchases by all applicants.
- (6) The aggregate amount of incentive payments for the purchase of "Louisiana agricultural products" issued to restaurant establishments pursuant to this Section shall not exceed seven million dollars, in the aggregate, per fiscal year.

Proposed law requires the program and fund to terminate on December 31, 2014. No rebate payments shall be granted after December 31, 2014.

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

(Adds R.S. 3:266(23) and 284)