HLS 13RS-828 ORIGINAL

Regular Session, 2013

HOUSE BILL NO. 422

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BY REPRESENTATIVE TALBOT

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

ECONOMIC DEVELOP/DEPT: Makes changes to the unified economic development budget report and requires report to be annual

AN ACT

2 To amend and reenact R.S. 51:935.1(A), (B)(1), (4)(introductory paragraph), (b), and (e), 3 and (5), (D), and (E)(1)(a) and (3) and to repeal R.S. 51:935.1(C), relative to the 4 unified economic development budget report; to require an annual report; to delete 5 need for independent economist contract and consultation requirements; to require 6 report submission to all members of the legislature; to simplify report contents by 7 repealing some required contents; and to provide for related matters. 8 Be it enacted by the Legislature of Louisiana: 9 Section 1. R.S. 51:935.1(A), (B)(1), (4)(introductory paragraph), (b), and (e), and 10 (5), (D), and (E)(1)(a) and (3) are hereby amended and reenacted to read as follows: 11 §935.1. Unified economic development budget report 12 A.(1)(a) The Department of Economic Development shall issue a biennial an 13 annual unified economic development budget report which shall be prepared by an 14 independent economist selected by and under contract with the division of 15 administration, who shall approve the methodologies and assumptions used in 16 preparation of the report, and if appropriate, after consultation with the Economic 17 Estimating Conference, the Revenue Estimating Conference, the legislative auditor, 18 the legislative fiscal office, the Department of Economic Development, the 19 Department of Revenue, and the Louisiana Workforce Commission.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

	(b) The report shall be certified by the Economic Estimating Conference, the
Reven	ue Estimating Conference, and the legislative fiscal office, as to both the
suffici	ency of the data, information, and reports upon which the report is based and
the ma	terial correctness of the report, or a written summary shall be provided to the
divisio	on of the reasons why the conference or office cannot certify or can only
partial	ly certify the report.
	(c) No employer, whether participating in economic development programs
or othe	erwise, shall be required to supply any additional report, information, or data
in con ı	nection with or related to any provision of this Section.
	(2) The report shall be submitted to the governor, the president of the Senate,
the spe	eaker of the House of Representatives, the chair of the Senate Commerce,
Consu	mer Protection, and International Affairs Committee, the chair of the House
Comm	nerce Committee, every member of the legislature, and the David R. Poynter
Legisla	ative Research Library.
	(3) The Department of Economic Development and the division of
admini	istration shall provide the following by November 15, 2003 to the individuals
and lib	orary specified in Paragraph (A)(2):
	(a) A list of all the state economic development programs which shall be
includ	ed in the report, as recommended by the Louisiana Economic Development
Counc	il and the division, and submitted only after it has been subjected to pubic
comm	ent at a public meeting held before November 1, 2003.
	(b) A written assessment of their ability to access, collect, and analyze the
inform	nation necessary to create the report provided for in this Section.
	B. The report shall include:
	(1) A complete listing of each state economic development program which
the div	vision of administration has agreed should be included in the report and the
agency	or corporation which administers them, if any.
	* * *
	(4) The following performance data, including both direct and indirect
impact	t, for each economic development program for the two-fiscal year period being
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1 reported, and, beginning with the report issued on November 15, 2007, a comparison 2 to the two fiscal years fiscal year previously reported and the average of all prior 3 fiscal years previously reported, or the reasons why such data is not available: 4 5 (b) The actual number and gross payroll of new permanent full and part-time 6 jobs created during the two-year fiscal year period and the number and payroll of 7 jobs created in previously reported periods. 8 9 (e) Tax revenues generated by employers participating in the programs, as 10 determined by the division of administration based upon tax data and information for 11 all employers participating in such programs which shall be supplied to the division 12 by the Department of Revenue, and certified by the Revenue Estimating Conference. 13 (5) An estimate of the total direct and indirect economic impact for each 14 economic development program on in Louisiana based upon the performance data 15 provided for in Paragraphs (B)(3) and (4). 16 17 D. The independent economist who prepares the biennial annual unified 18 economic development budget report shall prepare contain an incentives 19 competitiveness analysis section which shall be included as a part of the report. This 20 competitiveness analysis shall compare the benefits offered in economic 21 development programs in Louisiana with those offered in the regional states with 22 which the state competes for economic development. The independent economist 23 shall include in this analysis The analysis shall include an assessment of the total 24 relative tax burden of businesses in Louisiana compared to those regional states. 25 E.(1)(a) Beginning in 2004, the The legislative auditor shall conduct an 26 annual performance audit designed to evaluate the management controls, accuracy, 27 and reliability of the reported information on at least three economic development 28 programs as defined in this Section. The economic development programs that are

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to be audited shall be selected by the legislative auditor.

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1 (3) In addition to the Legislative Audit Advisory Committee, the
2 performance audit shall be submitted to the Economic Estimating Conference, every
3 member of the legislature, and the legislative fiscal office.
4 * * *
5 Section 2. R. S. 51:935.1(C) is hereby repealed in its entirety.

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)]

Talbot HB No. 422

Abstract: Requires the unified economic development budget report to be annual instead of biennial, requires that all members of the legislature receive the report and makes other changes to simplify the process for reporting.

<u>Present law</u> requires the Dept. of Economic Development (DED) to issue a unified economic development budget report every two years. Requires the report to be prepared by an independent economist under contract with the division of administration. Requires the methodologies and assumptions of the report to be developed in consultation with the Economic Estimating Conference, the Revenue Estimating Conference, the legislative auditor, the legislative fiscal office, DED, the Dept. of Revenue and the La. Workforce Commission. Requires the report to be certified by the Economic Estimating Conference, the Revenue Estimating Conference, and the legislative fiscal office. <u>Proposed law</u> requires the report to be issued annually, instead of biennially and deletes all other <u>present law</u> requirements.

<u>Present law</u> requires the report to be submitted to the governor, the president of the Senate, the speaker of the House, the chairs of the House and Senate commerce committees, and the legislative research library. <u>Proposed law</u> changes <u>present law</u> submission requirement to include every member of the legislature and not just the chairs of the House and Senate commerce committees.

<u>Present law</u> requires the report to include various pieces of information, including a complete listing of each state economic development program and the tax revenues generated by employers participating in the programs that the division of administration agrees should be included in the report. <u>Proposed law</u> retains <u>present law</u> except removes need for the list or information to be agreed upon by the division of administration.

<u>Proposed law</u> repeals <u>present law</u> requirement that the report classify the performance data according to three digit North American Industrial Classification System Codes and categorize by DED Vision 2020 clusters.

(Amends R.S. 51:935.1(A), (B)(1), (4)(intro. para.), (b), and (e), and (5), (D), and (E)(1)(a) and (3); Repeals R.S. 51:935.1(C))