

Office of the Governor
State of Louisiana

JOHN BEL EDWARDS
GOVERNOR



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June 14, 2020

VIA HAND DELIVERY

Honorable Clay J. Schexnayder
Speaker of the House
Louisiana House of Representatives
Post Office Box 94062
Baton Rouge, Louisiana 70804-9062

RECEIVED
JUN 15 2020
12:35
PW

House of Representatives
Clerk's Office

RE: Veto of House Bill 846 of the 2020 Regular Session

Dear Speaker Schexnayder:

Please be advised that I have vetoed House Bill 846 of the 2020 Regular Session.

In its enrolled form, House Bill 846 of the 2020 Regular Session adds a new payroll incentive rebate program to the long list of incentive programs already administered by the Department of Economic Development. Unlike other incentive programs linked to payroll like Quality Jobs, which requires creation of jobs with payroll nearly three times the minimum wage, any retail or food service business in the state employing less than 50 employees would be eligible to receive this rebate if the business creates five new, minimum-wage paying jobs between May 15, 2020 and December 31, 2021. At a time when 80% of Louisianans support increasing the minimum wage, incentivizing the creation of minimum wage jobs at \$7.25 per hour is contrary to the sentiment of the people of Louisiana that our workforce should be able to earn a true living wage.

Furthermore, numerous bills similar to House Bill 846 ran not only in the last session, but are also running in this current special session without thoughtful consideration of what impact such legislation would affect the state's budget. While the fiscal note does not provide the exact amount of a decrease in collections of state general fund due to this program in the upcoming fiscal year, the eligibility requirements of the program create such a large pool of businesses that will be eligible to participate that there is potential that the cost to the state could be substantial. With so much uncertainty surrounding the state's economic stability in the wake of COVID-19, beginning a new program without truly understanding the direct effect on the upcoming fiscal year would not be prudent. I am more than happy, however, to work with the authors of these measures on quality incentive programs once we know the true effects of COVID-19 on the state's economy.

Sincerely,

A handwritten signature in black ink, appearing to read "John Bel Edwards".

John Bel Edwards
Governor

cc: Honorable Patrick Page Cortez
Louisiana Senate President