ECONOMIC DEVELOPMENT: Establishes a grant program for site development and improvement

AN ACT

To enact Chapter 15-B of Title 39 of the Revised Statutes of 1950, to be comprised of R.S. 39:1481 through 1489, relative to economic development; to provide for intent; to provide for definitions; to provide for an economic development program; to create a special treasury fund for economic development; to provide for qualified expenditures; to provide form requirements; to provide for appropriation and allocation; to provide for procedure; to provide for cooperative endeavor agreements; to provide for application of law; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 15-B of Title 39 of the Revised Statutes of 1950, comprised of R.S. 39:1481 through 1489, is hereby enacted to read as follows:

CHAPTER 15-B. LOUISIANA COMPETES REGIONAL ECONOMIC DEVELOPMENT PROGRAM

§1481. Legislative intent

The legislature recognizes the strong competition among states to attract new business and industry and to grow existing business and industry. It is further recognized that different regions of this state have different characteristics and attributes which are advantageous to specific sectors of the economy. As a result, these regions each have unique challenges and opportunities relative to economic development. The legislature believes that local citizens working through regional...
economic development organizations are uniquely positioned to support the state’s overall economic development efforts by identifying and directing how certain resources are best utilized to take advantage of a region’s distinctive economic potential. It is the intent of the legislature to authorize and direct the execution of cooperative endeavor agreements, in accordance with this Chapter and R.S. 33:9029.2, by and between the state and each of the eight regional economic development organizations where the state will provide economic support to the regional economic development organizations in exchange for the regional economic development organizations providing locally developed and tailored services directly related to attracting new business and industry and growing existing business and industry within their respective regions through the use of funds awarded through the Louisiana Competes Regional Economic Development Program, as provided for in this Chapter. The state desires to initially use eight million dollars of recognized state general fund surplus dollars to support locally developed and tailored economic development through the state’s regional economic development organizations to be administered through the division of administration and the Department of Economic Development, as provided for in this Chapter. It is further the intent of the legislature to minimize red tape and grant regional economic development organizations the maximum flexibility to utilize grant funds in furtherance of the intent of this Section. The legislature finds and determines that the use of funds are in furtherance of a public purpose.

§1482. Definitions

For purposes of this Chapter, the following words have the following meanings:

(1) "Commissioner of administration" means the commissioner of the division of administration.

(2) "Louisiana Competes Fund" means the Louisiana Competes Regional Economic Development Fund.

(3) "Louisiana Competes Program" means the Louisiana Competes Regional Economic Development Program.
Economic Development Program.

(4) "Grant" means an award from the Louisiana Competes Economic Development Program to a regional economic development organization.

(5) "Qualified expenditure" shall having the meaning set forth in R.S. 39:1485.

(6) "Regional economic development organization" means each of the following: Baton Rouge Area Chamber, Central Louisiana Economic Development Alliance, Greater New Orleans, Inc., Northeast Louisiana Economic Alliance, North Louisiana Economic Partnership, One Acadiana, South Louisiana Economic Council and Southwest Louisiana Economic Development Alliance.

(7) "Secretary" means the secretary of Department of Economic Development.

§1483. Louisiana Competes Regional Economic Development Program

There is hereby created the Louisiana Competes Regional Economic Development Program to be administered by the Department of Economic Development, to provide grants to regional economic development organizations pursuant to the Louisiana Competes Regional Economic Development Program as established in this Chapter.

§1484. Louisiana Competes Regional Economic Development Fund; appropriation; allocation

A. There is hereby created and established in the state treasury, a special fund titled the Louisiana Competes Regional Economic Development Fund.

B. Pursuant to legislative appropriation, the treasurer is hereby authorized and directed to deposit in and credit to the Louisiana Competes Fund eight million dollars. The monies in the Louisiana Competes Fund shall be invested in the same manner as monies in the state general fund. Interest earned on the investment of monies in the Louisiana Competes Fund shall be deposited in and credited to the Louisiana Competes Fund. Except as provided in this Chapter, unexpended and unencumbered monies in the Louisiana Competes Fund shall remain in the
Louisiana Competes Fund. Monies in the Louisiana Competes Fund shall be appropriated and used solely as provided for in this Chapter.

C. Each regional economic development organization shall be entitled to a grant in the amount of one million dollars from the initial eight million dollars allocated to the Louisiana Competes Program. Any future allocations to the Louisiana Competes Program shall be equally distributed to the regional economic development organizations.

§1485. Qualified expenditures

A. Regional economic development organizations shall only utilize grant funds to pay for qualified expenditures related to the furtherance of economic development within the region it represents. Qualified expenditures are limited to site development costs and economic development marketing of the region represented by the regional economic development organization.

B. (1) Site development costs include but are not limited to costs incurred for all of the following:

(a) Studies.

(b) Surveys.

(c) Development of plans and specifications.

(d) Entering into option agreements.

(e) Infrastructure improvements.

(f) Due diligence.

(g) Remediation.

(h) Wetland delineation.

(i) Professional services for architectural, engineering, legal, construction, and financial services related to site development.

(2) Economic development marketing costs include costs which are usual and customary in the economic development sector. The costs shall be tailored to the regional assets and attributes of the region represented by the regional economic development organization. Economic development marketing cost includes cost
incurred for any of the following:

(a) Print, digital, or video marketing.

(b) Preparation, development, or implementation of an economic development marketing plan.

(c) Competitive research.

(d) Expenses related to hosting professional site selectors or business prospects traveling to the region to explore or review possible sites.

C. Without limiting the provisions of Subsections A and B of this Section, a regional economic development organization shall not utilize any monies from the Louisiana Competes Fund for any of the following:

(1) Salaries, wages, or benefits.

(2) Travel expenses incurred by the regional economic development organization's officers, employees, or contractors.

(3) Alcohol.

(4) Land, buildings, offices, equipment, or vehicles used primarily for the administrative operations of the regional economic development organization.

§1486. Form requirements

A. The secretary shall develop a grant request form to be used by the regional economic development organizations to request grant funding. The secretary shall develop the form to solicit all of the following information and nothing further:

(1) The legal name and tax identification number of the regional economic development organization.

(2) The legal name and contact information of the person serving as chief executive of the regional economic development organization, or other such person authorized by the governing board of the regional economic development organization to act on its behalf and having the legal capacity to enter into binding agreements on behalf of the organization.

(3) The signature of the chief executive of the regional economic development organization.
development organization, or other such person authorized by the governing board
of the regional economic development organization to act on its behalf. The
signature certifies that the regional economic development organization has
reviewed, understands, and will comply with the requirements contained in this
Chapter.

(4) The date the form was signed.

§1487. Grant approval

Within five calendar days of receiving a completed grant request form as
provided for in R.S. 39:1486, the secretary shall notify the commissioner that a grant
is approved pursuant to this Chapter.

§1488. Cooperative endeavor agreement; term; public fund matching

A. Within thirty calendar days of grant approval, the regional economic
development organization and the state shall enter into a cooperative endeavor
agreement as provided for in R.S. 33:9029.2. The objectives and intent of each
cooperative endeavor agreement shall be in conformity with the objectives and intent
of this Chapter. Accordingly, the obligations of the regional economic development
organization set forth in the cooperative endeavor agreement shall be limited to the
following:

(1) Identifying high-priority sites for the purpose of attracting economic
development projects.

(2) Developing high-priority sites for the purpose of attracting economic
development projects.

(3) Marketing of the regional economic development organization's
particular region for the purpose of attracting economic development projects.

(4) Developing and subsequently providing a report of all activities related
to the objectives of the cooperative endeavor agreement undertaken in the previous
year.

(5) Maintaining records and an accurate accounting of all expenditures.

(6) Adhering to state and federal non-discrimination laws.

(8) Obtaining a ten percent local match as provided for in Subsection C of
this Section.

B. The initial cooperative endeavor agreement with each regional economic
development organization shall be for an initial term of two years and shall
automatically renew for successive one-year periods until such time as all initial
funds have been expended.

C. A regional economic development organization shall not expend any
grant funds without simultaneously obtaining local matching funds equaling ten
percent of the funds spent during any calendar year. Funds originating from any
lawful source other than the state shall constitute local matching funds.

D. Within five business days of the execution of the cooperative endeavor
agreement by the regional economic development organization and the
commissioner, the commissioner shall notify the treasurer and the treasurer shall,
within five business days, disburse the funds to the regional economic development
organization.

§1489. Application of law

The provisions of this Chapter shall be liberally construed to accomplish the
intent of this Chapter.

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)]

HB 724 Original 2022 Regular Session Bagley

Abstract: Creates a grant program that provides economic development funding to each regional economic development organization in the state.

Proposed law provides a declaration of legislative intent relative to the policies addressed in proposed law.

Proposed law defines "commissioner of administration", "Louisiana Competes Fund", "Louisiana Competes Program", "grant", "qualified expenditure", "regional economic development organization", and "secretary".

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
Proposed law creates the La. Competes Regional Economic Development Program, hereinafter, "program", which is to be administered by the La. Dept of Economic Development. The program is to provide a $1,000,000 grant to each of eight regional economic development organizations, hereinafter "organizations".

Proposed law creates the La. Competes Regional Economic Development Fund, hereinafter "fund", as a special fund in the state treasury.

Upon legislative appropriation, $8,000,000 is to be directed and deposited into the fund, invested in the same way general fund monies are invested, with interest to be deposited back into the fund and unallocated monies to remain in the fund.

Proposed law requires $1,000,000 of the original funds be allocated to each of the organizations and requires any future allocations to be equally distributed to each organization.

Under proposed law the monies disbursed to the organizations can only be used for "qualified expenditures", hereinafter "expenditures", related to the furtherance of economic development within the region it represents.

Proposed law provides for two categories of expenditure, site development and economic development, and provides examples of each. The two categories and examples provided under the proposed law are:

(1) Site development costs:
   (a) Studies
   (b) Surveys
   (c) Development of plans and specifications.
   (d) Entering into option agreements.
   (e) Infrastructure improvements.
   (f) Due diligence.
   (g) Remediation.
   (h) Wetland deliniation.
   (i) Certain professional services related to site development.

(2) Economic development marketing:
   (a) Print, digital, or video marketing.
   (b) Preparation, development, or implementation of an economic development marketing plan.
   (c) Competitive research.
   (d) Expenses for hosting professional site selectors or business prospects traveling to the state to explore or review sites.
Proposed law prohibits organizations from using allocated monies for any of the following, to the extent the use does not conflict with the approved purposes:

1. Salaries, wages, benefits.
2. Travel expenses incurred by the organizations officers, employees, or contractors.
3. Alcohol.
4. Land, buildings, offices, equipment, or vehicles used primarily for the administrative operations of the organization.

Proposed law requires the secretary of economic development (secretary) to develop a grant request form to be used by the organizations to request funding. The form is to require the following information:

1. Legal name and tax ID number of the organization.
2. Legal name and contact information for the person authorized to act on behalf of the organization.
3. Signature of the person authorized to act on behalf of the organization.
4. Date of signature.

Proposed law requires the secretary to notify the commissioner of administration that a grant is approved pursuant to proposed law within 5 calendar days of receiving a completed grant request.

Within 30 calendar days of grant approval, proposed law requires the organization and the state to enter into a cooperative endeavor agreement as provided for in present law.

The cooperative endeavor agreement is to be in conformity with the intent and purpose of proposed law, and the organization's obligations pursuant to the agreement are to be limited to the following:

1. Identifying high-priority sites for the purpose of attracting economic development projects.
2. Developing high-priority sites for the purpose of attracting economic development projects.
3. Marketing of the regional economic development organization's particular region for the purpose of attracting economic development projects.
4. Developing and subsequently providing a report of all activities related to the objectives of the cooperative endeavor agreement undertaken in the previous year.
5. Maintaining records and an accurate accounting of all expenditures.
6. Adhering to state and federal non-discrimination laws.
7. Adhering to provisions of present law which prohibit discriminatory boycotts of Israel in state procurement.
8. Obtaining a 10% local match as provided for in proposed law.

Proposed law provides that the initial cooperative endeavor agreement is to be for an initial
period of 2 years and is to renew for successive year-long periods until all initial funds are expended.

Proposed law requires each organization to obtain local matching funds equaling 10% of the funds spent during any calendar year.

Proposed law requires the commissioner to notify the treasurer of execution of the cooperative endeavor agreement within 5 days of execution and then requires the treasurer to disburse the monies to the organization within 5 days of notification.

Proposed law is intended to be construed liberally in order to achieve the intent and purpose of proposed law.

(Adds R.S. 39:1481-1489)