
DIGEST

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HB 507 Original

2025 Regular Session

Emerson

Abstract: Establishes the High Impact Jobs Program (program) within La. Economic Development (LED) and provides for administration, qualifications, and funding of the program.

The program established pursuant to proposed law authorizes the secretary of LED to grant any of the following incentives to companies authorized to do business in La. pursuant to state law.

- (1) A reimbursable grant of a percentage of annualized wages paid for qualifying jobs, not to exceed two hundred thousand dollars 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) Eight percent for a project located in a distressed area with wages equal to or greater than one hundred and ten percent of the parish average wage.
 - (b) Eighteen percent for a project located in a parish with wages equal to or greater than one hundred and twenty-five percent but less than one hundred and fifty percent of the parish average wage.
 - (c) Twenty-two percent for a project located in a parish with wages equal to or greater than one hundred and fifty percent 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 overtime compensation. Further defines "job" to mean a position of employment that meet 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.

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

- (1) Pays wages greater than 110% of the parish average wage where the project is located.
- (2) Employs 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 Seweage systems.
- (8) Local water systems.
- (9) Construction companies.

Proposed law authorizes LED to promulgate rules listing other professions or industries which 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.

Authorizes the secretary to promulgate rules in accordance with the Administrative Procedure Act to carry out the provisions of proposed law. Grants oversight of such rules to the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

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 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. Requires deposits into the fund from corporate tax collections, up to a maximum of \$125M each fiscal year.

Effective July 1, 2025.

(Adds R.S. 51:2771)