

2018 Regular Session

HOUSE BILL NO. 754

BY REPRESENTATIVES FOIL, ARMES, STEVE CARTER, COX, CREWS, GAINES,
GISCLAIR, HAZEL, HOWARD, TERRY LANDRY, AND PIERRE AND
SENATORS FANNIN AND TARVER

ECONOMIC DEVELOPMENT: Provides relative to certain veteran-owned small
entrepreneurships

1 AN ACT

2 To amend and reenact R.S. 39:2006(A)(4), 2175(5) and (6), and 2176(A)(4), relative to
3 entrepreneurships of the Hudson Initiative and the Veteran Initiative; to provide
4 relative to maximum gross receipts thresholds for such entrepreneurships; to provide
5 relative to the percent of evaluation points awarded to certain veterans in requests for
6 proposals; to provide for adjustments relative to the Consumer Price Index; to
7 provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 39:2006(A)(4), and 2175(5) and (6), and 2176(A)(4) are hereby
10 amended and reenacted to read as follows:

11 §2006. Certification of businesses by Department of Economic Development;
12 listing of small entrepreneurships; reporting

13 A. The secretary of the Department of Economic Development, hereinafter
14 the "department", shall certify businesses as small entrepreneurships for the purposes
15 of this Chapter. "Small entrepreneurship" means any corporation, partnership,
16 individual, sole proprietorship, joint stock company, joint venture, or any other legal
17 entity which meets all of the following criteria:

18 * * *

19 (4)(a) Together with any of its affiliate entities, has fewer than fifty full-time
20 employees with average annual gross receipts not exceeding ten million dollars per

1 year for construction operations and five million dollars per year for nonconstruction
2 operations, for each of the previous three tax years.

3 (b) The maximum amounts described in Subparagraph (a) of this Paragraph
4 shall be annually adjusted by the Department of Economic Development according
5 to the Consumer Price Index for All Urban Consumers (CPI-U) for the South.

6 * * *

7 §2175. Competitive source selection

8 Methods of source selection which may be utilized by an agency to satisfy
9 a state goal for contracting with veteran and service-connected disabled
10 veteran-owned small entrepreneurships shall include but not be limited to:

11 * * *

12 (5) An allowance for at least ~~ten~~ twelve percent of the total evaluation points
13 in a request for proposal be awarded to an offeror demonstrating a good faith effort
14 to use veteran and service-connected disabled veteran-owned small
15 entrepreneurships as subcontractors.

16 (6) ~~Ten~~ Twelve percent of the total evaluation points in a request for
17 proposal shall be awarded to an offeror who is a certified veteran and
18 service-connected disabled veteran-owned small business entrepreneurship. The
19 mandatory award of evaluation points required by this Paragraph shall be included
20 in all requests for proposals, unless the inclusion jeopardizes funding for the
21 procurement or violates any other provision of law. Any request for an exemption
22 from the requirements of this Paragraph shall be submitted in writing to the
23 commissioner of administration who shall either deny or approve the request. The
24 provisions of this Paragraph shall not apply to design-build or construction manager
25 at risk methods of construction.

1 §2176. Certification of businesses by Department of Economic Development;
2 listing of veteran and service-connected disabled veteran-owned small
3 entrepreneurships; reporting

4 A. The secretary of the Department of Economic Development, hereinafter
5 referred to in this Section as the "department", shall certify businesses as veteran and
6 service-connected disabled veteran-owned small entrepreneurships for the purposes
7 of this Chapter. "Veteran-owned small entrepreneurship" and "service-connected
8 disabled veteran-owned small entrepreneurship" means any corporation, partnership,
9 individual, sole proprietorship, joint stock company, joint venture, or any other legal
10 entity which meets all of the following criteria:

11 * * *

12 (4)(a) Together with any of its affiliate entities, has fewer than fifty full-time
13 employees with average annual gross receipts not exceeding ten million dollars per
14 year for construction operations and five million dollars per year for nonconstruction
15 operations, for each of the previous three tax years.

16 (b) The maximum amounts described in Subparagraph (a) of this Paragraph
17 shall be annually adjusted by the Department of Economic Development according
18 to the Consumer Price Index for All Urban Consumers (CPI-U) for the South.

19 * * *

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

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 754 Reengrossed

2018 Regular Session

Foil

Abstract: Amends relative to the maximum gross receipts thresholds for businesses applying for certification as small entrepreneurships or veteran-owned entrepreneurships and the total evaluation points to be awarded for certain requests for proposals.

Present law requires the secretary of the Dept. of Economic Development to certify a business as a small entrepreneurship or a veteran entrepreneurship pursuant to the Hudson Initiative and Veteran Initiative if the applicant meets all of the following criteria:

- (1) Independently owned and operated.
- (2) Not dominant in its field of operations, to be determined by consideration of the business' number of employees, volume of business, financial resources, competitive status, and ownership or control of materials, processes, patents, license agreements, facilities, and sales territory.
- (3) Is owned by and has officers who are citizens or legal residents of the U.S., all of whom are domiciled in La., and who maintain the principal business office in La.
- (4) Together with any of its affiliate entities, has fewer than 50 full-time employees with average annual gross receipts not exceeding a maximum of \$10,000,000 per year for construction operations and \$5,000,000 per year for nonconstruction operations, for each of the previous three tax years.

Proposed law retains present law.

Proposed law requires the Dept. of Economic Development to annually adjust the maximum average annual gross receipts limits in present law based on the Consumer Price Index for All Urban Consumers (CPI-U) for the South.

Present law provides an allowance of 10% of the total evaluation points in a request for proposal (RFP) to be awarded to an offeror demonstrating a good faith effort to use a veteran-owned entrepreneurship, or an offeror who is a certified veteran-owned entrepreneurship.

Proposed law increases the evaluation points to be awarded from 10% to 12%. Otherwise retains present law.

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

(Amends R.S. 39:2006(A)(4), 2175(5) and (6), and 2176(A)(4))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Add the Hudson Initiative to proposed law.

2. Require maximum annual gross receipts limits, relative to small
entrepreneurships, be adjusted annually based on Consumer Price Index.
3. Replace previously deleted present law language providing maximum amount
limits relative to veteran-owned entrepreneurships.
4. Require maximum annual gross receipts limits, relative to veteran-owned
entrepreneurships, be adjusted annually based on Consumer Price Index.

The House Floor Amendments to the engrossed bill:

1. Provide for an increase from 10% to 12% of the total evaluation points in a
request for proposal (RFP) to be awarded to an offeror demonstrating a good
faith effort to use a veteran-owned entrepreneurship, or an offeror who is a
certified veteran-owned entrepreneurship.
2. Make technical changes.