

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 724

2022 Regular Session

Bagley

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

Synopsis of Senate Amendments

1. Removes provisions creating the Louisiana Competes Fund and provisions addressing administration and disbursement of the fund by the state treasurer.
2. Adds provision that grants under the program will be made from monies appropriated to the program by the legislature.
3. Removes marketing costs from the list of qualified expenditures of grant funds.
4. Removes requirement regarding the development of a grant form by the Dept. of Economic Development.
5. Changes deadline for entering into a cooperative endeavor agreement from 30 days from grant approval to 30 days from the adoption of administrative rules by the Dept. of Economic Development.
6. Changes effective date from upon appropriation to the signature of the governor.
7. Requires that administrative rules be promulgated and done so in consultation with the 8 regional economic development organizations and the La. Chamber of Commerce Foundation.
8. Provides that the South Central Planning and Development Commission Subfund shall be used for St. Mary, Lafourche, Terrebonne, and Assumption parishes.
9. Makes technical changes.

Digest of Bill as Finally Passed by Senate

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 grant funding to each of eight regional economic development organizations, hereinafter "organizations".

Proposed law requires one-eighth of the initial appropriation and any subsequent appropriation be allocated to each of the organizations.

Proposed law requires that administrative rules be promulgated and done so in consultation with the 8 regional economic development organizations and the La. Chamber of Commerce Foundation.

Proposed law restricts the use of grant monies awarded pursuant to proposed law to "qualified expenditures", hereinafter "expenditures", related to the furtherance of economic development within the region it represents.

Proposed law provides that qualified expenditures are limited to site development and provides nonexclusive examples such as:

- (1) Studies.
- (2) Surveys.
- (3) Development of plans and specifications.
- (4) Entering into option agreements.
- (5) Infrastructure improvements.
- (6) Due diligence.
- (7) Remediation.
- (8) Wetland delineation.
- (9) Certain professional services related to site development.

Proposed law prohibits organizations from using grant monies for any of the following, to the extent the use does not conflict with the approved purposes provided in proposed law:

- (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.

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

Proposed law requires the cooperative endeavor agreement 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) Developing and subsequently providing a report of all activities related to the objectives of the cooperative endeavor agreement undertaken in the previous year.
- (4) Maintaining records and an accurate accounting of all expenditures.
- (5) Adhering to state and federal nondiscrimination laws.
- (6) Adhering to provisions of present law which prohibit discriminatory boycotts of Israel in state procurement.
- (7) Applying a 10% local match as provided for in proposed law.

Proposed law provides that the initial cooperative endeavor agreement is for an initial period of two years. Further provides that the initial agreement will automatically renew for successive year-long periods until all initial funds provided by the agreement are expended.

Proposed law requires each organization to apply local matching funds equaling 10% of the cost being paid.

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

(Adds R.S. 39:1481-1485)