



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 585** HLS 23RS 203
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 7, 2023	4:19 PM	Author: ECHOLS
Dept./Agy.: Department of Economic Development		Analyst: Noah O'Dell
Subject: Council for Economic Prosperity		

ECONOMIC DEVELOPMENT REF +\$1,100,000 GF EX See Note Page 1 of 1
 Provides relative to economic development

Proposed law creates the Council for Economic Prosperity, consisting of 17 members; requires members be appointed by the commencement of the 2024 Regular Session; specifies members be compensated for actual and necessary expenses incurred in accordance with state travel regulations; requires the Council meets quarterly. Proposed law creates the State Plan for Economic Development; requires the Council formulate/establish the state's economic development policy and coordinate to ensure its implementation through the Dept. of Economic Development (LED), the Office of the Governor, and the Division of Administration; requires the council adopt the final plan and submit the plan to the legislature for approval or rejection by 12/31/2024; requires the State Plan be updated and resubmitted every five years; requires the updating of a twenty-year master plan. Proposed law creates an annual action plan. Proposed law requires the council establish guidelines by which all economic development funding, awards, grants, incentives, and guarantees are prioritized, whether from the Office of the Secretary, any other office of the department, or through any program of the Louisiana Economic Development Corporation. Proposed law creates an Advisory Commission on Economic Development and an Executive Committee; requires the advisory group advise, coordinate with, provide research, and staff support to the Council.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	\$75,000	\$75,000	\$75,000	\$225,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total			\$75,000	\$75,000	\$75,000	\$225,000

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an increase in SGF expenditures in the Department of Economic Development (LED). Proposed law has one-time estimated costs of \$1.1 M for professional services for consultants used in the creation of the extensive State Plan for Economic Development and associated modeling as outlined in the bill. The recurring \$75,000 professional service costs are associated with the annual action plan report.

LED has indicated current staff and resources should be sufficient to support both the Council and the Advisory Commission for the prescribed meetings and aid in preparation for those meetings. However, the current staff is not capable of performing the modeling and analysis for the State Plan prescribed by the bill. Therefore, LED intends to outsource consulting services to achieve the specified requirements of the bill in the initial fiscal year, and each year thereafter for the annual reporting. The \$1.1 M initial consultant costs may be divided among FY 24 and part of FY 25, as the twenty-year State Plan for Economic Development must be presented to the legislature by December 31, 2024.

In addition, proposed law is anticipated to result in an indeterminable, but minimal increase in state expenditures associated with travel reimbursements. While there may be costs associated with travel reimbursements and administrative support of the council, these costs are expected to be minimal and absorbed within each respective agency's existing operating budget.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
 Interim Deputy Fiscal Officer