

RÉSUMÉ DIGEST

HB 585

2023 Regular Session

Echols

Proposed law would have defined certain terms, including "accountability", "action plans", "benchmarking", "goals", "mission", "objectives", "philosophy", "strategies", and "vision".

Proposed law would have created the Council for Economic Prosperity (council) and placed it within the Dept. of Economic Development.

Proposed law would have provided the council to consist of 17 members and that members be appointed starting with the commencement of the 2024 Regular Session. Proposed law would have provided that the governor, the president of the Senate, and the speaker of the House shall appoint members. Proposed law would have provided that a member of the council may designate another person to represent him for work assigned by the council but not for meetings or voting.

Proposed law would have provided that members of the executive committee may not designate a representative for participation on the executive committee. Proposed law would have provided that the chairman may designate a representative except to chair the full council meeting at which final adoption of the master plan is considered and voted upon. Proposed law would have provided that the governor shall be chairman of the council.

Proposed law would have required the vice chair of the council to be elected from the council's members. Proposed law would have provided that the quorum shall be nine members, and that members shall be compensated for actual and necessary expenses incurred in accordance with state travel regulations.

Proposed law would have required the full council to meet at least quarterly with only one of the mandatory quarterly meetings taking place in Baton Rouge.

Proposed law would have created the State Plan for Economic Development.

Proposed law would have required the Council for Economic Prosperity to formulate and establish the state's economic development policy and coordinate and ensure its implementation through the Dept. of Economic Development, the office of the governor, and the division of administration. Proposed law would have provided that the council shall formulate the State Plan for Economic Development which shall include the following:

- (1) The vision, mission, and philosophy of the state in achieving economic prosperity, a robust business climate, and high quality employment opportunities for all La. citizens.
- (2) An economic model for La. for a 20-year period, divided into five-year incremental planning and benchmarking periods.
- (3) An analysis of the current global, hemispheric, and national economies and their impact on the economy of La.
- (4) An analysis of broad trends of economic change on the national and regional levels in the U.S.
- (5) A comprehensive needs assessment and baseline analysis of the La. industries.
- (6) An analysis of the sustainability of the current La. economy over time. A 20-year plan, divided into five-year increments, with goals and objectives designed to attain economic prosperity.
- (7) Broad strategies that will permit the state to fulfill goals and objectives of the economic vision set forth in the plan.
- (8) A comprehensive benchmarking and accountability program to measure the performance of the La. economy and work force and measure the effectiveness of and progress toward achieving the objectives of each strategy and action plan.

Proposed law would have required that the council or the executive committee hold at least two public hearings to gather public testimony on the master plan.

Proposed law would have required the council to adopt the final plan by a majority vote of the total council membership and submit the plan to the legislature for approval or rejection. Proposed law would have required that the plan be submitted to the governor, the president of the Senate, the speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, Consumer Protection and International Affairs, and the chairman of the House Committee on Commerce no later than Dec. 31, 2024. Proposed law would have provided for legislative action in the plan.

Proposed law would have required the State Plan for Economic Development to be updated and resubmitted every five years, commencing with the Dec. 31, 2024, initial submission.

Proposed law would have created an annual action plan and provided that on Dec. 31 of each year following submission of the original master plan, the council shall submit an annual report and plan to be known as the Economic Development Action Plan to the governor, the president of the Senate, the speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, Consumer Protection and International Affairs, and the chairman of the House Committee on Commerce.

Proposed law would have required the annual action plan to include, at a minimum, the following:

- (1) A report of council work, deliberations, and actions during the prior year.
- (2) A comprehensive program of recommended strategies and action plans for implementation in the next state fiscal year.
- (3) An overview of the benchmarking and accountability program and presentation of the results obtained during the prior year.
- (4) An analysis of the strengths and weaknesses of all initiatives, operational strategies, and action plans implemented in the prior year.
- (5) An explanation of why any strategies or initiatives were not implemented or failed, and recommendations on how to achieve their successful implementation.
- (6) An analysis of changes and trends in the external economic environment.

Proposed law would have required the council to establish guidelines in accordance with the Administrative Procedure Act by which all economic development funding, awards, grants, incentives, and guarantees are prioritized, whether such issue from the office of the secretary, any other office of the department, or through any program of the La. Economic Development Corporation.

Proposed law would have required the council to establish a seven-member executive committee, to be chaired by the chairman of the council, which shall have authority to call meetings of the council, establish committee schedules, direct the work of staff on loan or assignment, meet with the Advisory Commission on Economic Development, and represent the council before the legislature. Proposed law would have required the vice chairman of the council to represent the council before the legislature.

Proposed law states that the executive committee would have had the authority to divide the work of the council into discrete areas and to establish and appoint subcommittees.

Proposed law would have required the executive committee to meet at least once quarterly with the Advisory Commission on Economic Development to exchange information and facilitate implementation strategies.

Proposed law would have provided that the council would have authority to promulgate all rules, regulations, and procedures, and to hold hearings, as it deemed necessary and appropriate to its responsibilities and charge, pursuant to the Administrative Procedure Act.

Proposed law would have required the governor to direct all appropriate agency heads to implement all strategies and actions recommended in the State Plan for Economic Development and in each annual Economic Development Action Plan, subject to constitutional restrictions.

Proposed law would have required the commissioner of administration to implement all budgetary and programmatic strategies and actions recommended in each annual action plan and would have required their inclusion by any impacted department in all appropriate documents.

Proposed law would have created the Advisory Commission on Economic Development (commission).

Proposed law would have provided who shall comprise the commission, provided for membership of the commission, and provided for the duties of the commission.

Proposed law would have required the commission to meet quarterly with the executive committee of the council to exchange information and facilitate implementation of the master plan and annual action plans.

Proposed law would have required each member of the commission, as directed by the governor, to direct the implementation of the policies, directives, and components of the State Plan for Economic Development and any initiatives contained in an Economic Development Action Plan which would affect or require the action of the agency of his responsibility and charge.

(Proposed to add R.S. 36:109(B)(4) and R.S. 51:2400.1-2400.10)

VETO MESSAGE:

"Please be advised that I have vetoed House Bill 585 of the Regular Session of 2023.

This bill would have required the state to develop a new "comprehensive strategic plan for economic development," as well as to create a new council to be staffed by Louisiana Economic Development ("LED").

Much of what this bill seeks to accomplish is unnecessary and duplicative. This bill would have created the "Council of Economic Prosperity" to dictate and supervise economic policy, including the creation of a strategic master plan for economic development, and performing functions which are already handled by the Louisiana Economic Development Corporation. LOUISIANA REVISED STATUTE 39:31 currently requires LED to produce and publish a 5-year strategic plan, which is revised and updated at least every three years. LED delivers this strategic plan, and any subsequent revisions, to the Commissioner of Administration, the House Committee on Commerce, the Senate Committee on Commerce, the House Fiscal Division, the Senate Fiscal Division, the Legislative Fiscal Office, and the Office of the Legislative Auditor. In total, LED currently conducts 53 annual reports, including 22 LED major reports and 31 reports required by state law, all of which are provided to the legislature and available to the public at <http://www.opportunitylouisiana.gov>.

Finally, to implement the directives of this legislation and to develop a new strategic master plan, the state would have been required to contract with consultants, at a cost to the taxpayers of at least \$1.1 million. The legislature did not appropriate funds to achieve this, thus this would have amounted to an unfunded mandate, requiring Louisiana Economic Development to sacrifice already-committed resources for the sake of creating a new, unnecessary set of reports and guidelines. For these reasons, I have vetoed this bill.

Accordingly, House Bill 585 will not become law."