

2024 Regular Session

SENATE BILL NO. 494

BY SENATOR MIZELL

ECONOMIC DEVELOP DEPT. Provides for the Department of Economic Development.
(gov sig)

1 AN ACT
2 To amend and reenact R.S. 36:4(A)(2), 101(A), 102, 104(A)(6), the introductory paragraph
3 of R.S. 47:318(B)(2), R.S. 47:318(B)(2)(a), and R.S. 51:2311(A)(2) and (B), 2403(E)
4 and (F)(3), to enact R.S. 36:104(A)(16),(17), and (B)(10), and 110, R.S. 39:196(D)
5 and 1554(T), and R.S. 51:2312(D)(15), and to repeal R.S. 36:106 and 107, relative
6 to the economic development; to provide relative to Louisiana Economic
7 Development; to provide for the powers, duties, and organization of Louisiana
8 Economic Development; to provide for powers and duties of the secretary of
9 Louisiana Economic Development; to provide for an advisory committee to
10 Louisiana Economic Development; to provide for membership of the advisory
11 committee; to provide relative to the membership of the Louisiana Economic
12 Development Corporation; to provide for the development and implementation of a
13 strategic plan and an economic development plan; to provide relative to
14 procurement; to provide for exceptions; to provide for the distribution and
15 investment of certain funds; to provide relative to information technology services
16 and procurement of Louisiana Economic Development; to provide relative to terms,
17 conditions, exceptions, and procedures; and provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. R.S. 36:4(A)(2), 101(A), 102, 104(A)(6) are hereby amended and
3 reenacted and R.S. 36:104(A)(16),(17), and (B)(10), and 110 are hereby enacted to read as
4 follows:

5 §4. Structure of executive branch of state government

6 A. In accordance with the provisions of Article IV, Section 1 and Article
7 XIV, Section 6 of the Constitution of Louisiana, all offices, boards, commissions,
8 agencies, and instrumentalities of the executive branch of state government, whether
9 constitutional or statutory, and/or their functions, powers, duties, and responsibilities
10 shall be allocated, either in the Act by which this Title was created or by legislation
11 enacted subsequent thereto, within the departments listed in this Section, except as
12 provided in Subsections B and C of this Section, and in order to comply with this
13 constitutional mandate, the agencies of the executive branch of state government
14 hereinafter enumerated, whether heretofore created by the constitution or by statute,
15 and/or their functions, powers, duties, and responsibilities are allocated, in the
16 manner hereinafter set forth in this Title, within the following designated
17 departments:

18 * * *

19 (2) ~~Department of~~ **Louisiana** Economic Development.

20 * * *

21 CHAPTER 3. ~~DEPARTMENT OF~~ **LOUISIANA** ECONOMIC DEVELOPMENT

22 §101. ~~Department of~~ **Louisiana** Economic Development; creation; domicile;
23 composition; purposes and functions

24 A. ~~The Department of~~ **Louisiana** Economic Development is created and shall
25 be a body corporate with the power to sue and be sued. The domicile of the
26 department shall be in Baton Rouge.

27 * * *

28 §102. Officers of ~~the department;~~ **Louisiana Economic Development;**
29 compensation for one office only

1 A. The officers of ~~the department~~ **Louisiana Economic Development** shall
 2 be the secretary, ~~the undersecretary,~~ **and** the deputy secretary if a deputy secretary
 3 is appointed, ~~and assistant secretaries,~~ each of whom shall be selected and shall
 4 perform functions as provided in this Title.

5 B. No person serving as a secretary, **or** deputy secretary, ~~undersecretary, or~~
 6 ~~assistant secretary~~ shall receive any additional salary from the state other than that
 7 salary which he receives by virtue of serving in any one of such offices. ~~Any~~ **Neither**
 8 **the secretary nor the deputy secretary shall be a** statewide elected official
 9 ~~appointed to serve as a secretary, deputy secretary, undersecretary, or assistant~~
 10 ~~secretary shall not receive any additional salary from the state other than that salary~~
 11 ~~which he receives as a statewide elected official.~~

12 C. Notwithstanding any provision herein to the contrary, subject to approval
 13 of the governor, any person, ~~including any statewide elected official,~~ serving or
 14 appointed to serve as a secretary, ~~undersecretary,~~ **or** deputy secretary, ~~or assistant~~
 15 ~~secretary~~ may receive additional compensation for part-time services rendered as an
 16 instructor in post-secondary educational institutions, or as a member of the National
 17 Guard.

18 * * *

19 §104. Powers and duties of the secretary of economic development

20 A. In addition to the functions, powers, and duties otherwise vested in the
 21 secretary by law, he shall:

22 * * *

23 (6) Act as the sole agent of the state or, in necessary cases, designate one of
 24 the offices within the department ~~or its assistant secretary,~~ to cooperate with the
 25 federal government and with other state and local agencies in matters of mutual
 26 concern and in the administration of federal funds granted to the state or directly to
 27 the department or an office thereof to aid in the furtherance of any function of the
 28 department and its offices. For this purpose he may take such actions, in accordance
 29 with any applicable state law, necessary to meet such federal standards as are

1 established for the administration and use of such federal funds, except as otherwise
 2 specifically provided in this Title or by the constitution and laws of this state. The
 3 office shall develop and implement a plan to actively seek federal, private, and
 4 other grants to support the activities of the department and advance the
 5 economic growth and prosperity of the state.

6 * * *

7 (16) Develop a comprehensive strategic plan and long range economic
 8 development plan in consultation with, and advice from, the Louisiana
 9 Economic Development Partnership.

10 (17) Notwithstanding any provision of law to the contrary, enter into a
 11 lease of an industrial megasite with the approval of the governor, consisting of
 12 immovable property under the control and supervision of Louisiana Economic
 13 Development as of May 1, 2024, that has been certified by the department as
 14 development-ready, to a nongovernmental entity in connection with a state
 15 economic development project.

16 B. The secretary shall have the authority to:

17 * * *

18 (10) Notwithstanding any provision of law to the contrary, exercise
 19 discretion in reconsidering the disallowance of any amounts of an incentive
 20 administered by Louisiana Economic Development when the basis of the
 21 disallowance relates to the expiration of filing deadlines or the failure to
 22 perform a requirement of the program due to the occurrence of an event
 23 beyond the control of the incentive recipient.

24 * * *

25 §110. Louisiana Economic Development Partnership; advisory committee

26 A. There is hereby created an advisory committee to be known as the
 27 Louisiana Economic Development Partnership. The committee shall advise the
 28 department on matters relating to economic development policies, strategies,
 29 programs, and initiatives to promote economic growth in the state.

1 **B.(1) The committee shall consist of eleven appointed members as**
2 **follows:**

3 **(a) Nine members appointed by the governor, one from within the**
4 **geographic boundaries of each of the state's eight regional economic**
5 **development organizations and one at large.**

6 **(b) One member appointed by the president of the Senate.**

7 **(c) One member appointed by the speaker of the House of**
8 **Representatives.**

9 **(2) The secretary of Louisiana Economic Development or his designee**
10 **shall serve as an ex-officio and nonvoting member of the committee.**

11 **C. No member of the advisory committee shall hold an elected office**
12 **while serving as an appointed member of the advisory committee.**

13 **D. Vacancies on the advisory committee shall be filled in the same**
14 **manner as the original appointment.**

15 **E. The secretary of Louisiana Economic Development or his designee**
16 **shall serve a term coterminous with the term of the governor. The remaining**
17 **members shall serve four-year terms, except that, of the initial appointments,**
18 **four shall be for two-year terms, four shall be for three-year terms, and three**
19 **shall be for four-year terms. Vacancies shall be filled in the manner of original**
20 **appointment. No member shall be eligible to serve more than two terms;**
21 **however, after the expiration of the term of a member appointed to serve three**
22 **years or less, two additional terms may be served if appointed thereto. A person**
23 **appointed to fill a vacancy may be appointed to serve two additional terms.**

24 **F. The committee shall meet at least quarterly and may hold additional**
25 **meetings as necessary.**

26 **G. A majority of the appointed members of the committee shall**
27 **constitute a quorum.**

28 **H. Members of the committee shall serve without compensation, but each**
29 **member shall be entitled to reimbursement of actual and necessary expenses**

1 incurred in the performance of official duties in accordance with state travel
2 regulations.

3 I. The committee shall annually elect a chairman and other officers as
4 may be deemed necessary.

5 Section 2. R.S. 39:196(D) and 1554(T) are hereby enacted to read as follows:

6 §196. Application of Part: responsibility for determining; state chief information
7 officer

8 * * *

9 D. Notwithstanding any other provision of law to the contrary, the
10 purchase, lease, and rental of all information technology equipment, related
11 services, and software by Louisiana Economic Development shall be exempt
12 from this Part, and the oversight and procurement authority of the chief
13 information officer and office of technology services provided for in R.S. 39:15.1
14 et seq., except Louisiana Economic Development shall be required to continue
15 as a LaGov agency for the use of the enterprise resource planning, but
16 Louisiana Economic Development shall be subject to rules and regulations for
17 these purposes adopted in accordance with the Administrative Procedure Act,
18 R.S. 49:950 et seq. Louisiana Economic Development and office of technology
19 service shall establish a transition plan that shall be completed by June 30, 2025.
20 The provisions of this Subsection shall be subject to the approval of the
21 commissioner of administration.

22 * * *

23 §1554. Application of this Chapter

24 * * *

25 T. This Chapter shall not apply to Louisiana Economic Development.
26 Louisiana Economic Development shall be required to continue as a LaGov
27 agency, and shall adopt procurement provisions pursuant to rules adopted in
28 accordance with the Administrative Procedure Act, R.S. 49:950 et seq.

29 Section 3. The introductory paragraph of R.S. 47:318(B)(2) and R.S. 47:318(B)(2)(a)

1 are hereby amended and reenacted to read as follows:

2 §318. Disposition of collections

3 * * *

4 B. * * *

5 (2) Monies in the fund shall be subject to annual appropriation to ~~the~~
6 ~~Department of~~ **Louisiana** Economic Development for the following purposes:

7 (a) A minimum of one million dollars annually ~~to be used for marketing~~
8 ~~education, of which one million dollars shall be used as follows:~~ **for regional or**
9 **local economic development marketing, following guidelines to be developed by**
10 **the secretary for objective, performance-based criteria for the distribution of**
11 **these funds.**

12 (i) ~~Six hundred seventy-five thousand five hundred sixty-three dollars to~~
13 ~~Marketing Education Retail Alliance, Inc.~~

14 (ii) ~~Two hundred fifty thousand dollars to the District 2 Enhancement~~
15 ~~Corporation.~~

16 (iii) ~~Seventy-four thousand four hundred thirty-seven dollars to the Louisiana~~
17 ~~Council for Economic Education.~~

18 * * *

19 Section 4. R.S. 51:2311(A)(2) and (B) and 2403(E) and (F)(3) are hereby amended
20 and reenacted and R.S. 51:2312(D)(15) is hereby enacted to read as follows:

21 §2311. Louisiana Economic Development Corporation; creation; domicile; board of
22 directors; terms; agency

23 A. * * *

24 (2) The board of directors shall be comprised of all of the following:

25 (a) The secretary of the Department of Economic Development or a designee.

26 (b) One minority ~~member who is appointed from a list of three private sector~~
27 ~~individuals submitted by Louisiana-based organizations~~ **business owner or private**
28 **sector individual** representing minority business interests.

29 (c) One ~~member who is appointed from a list of three private sector~~

1 ~~individuals submitted by the Louisiana Chapter of the AFL-CIO~~ **private sector**
2 **individual with experience as a startup founder.**

3 (d) One ~~member who is appointed from a list of three private sector~~
4 ~~individuals submitted by the Louisiana Retailers Association~~ **private sector**
5 **individual with experience in regional economic development.**

6 (e) One ~~member who is appointed from a list of three private sector~~
7 ~~individuals submitted by the Louisiana Bankers Association~~ **private sector**
8 **individual with experience from within a community bank, community**
9 **development financial institution, or credit union.**

10 (f) One ~~member who is appointed from a list of three private sector~~
11 ~~individuals employed at community banks submitted by the Louisiana Bankers~~
12 ~~Association~~ **private sector individual with experience in commercial banking.**

13 (g) One ~~member who is appointed from a list of three private sector~~
14 ~~individuals submitted by the Society of Louisiana Certified Public Accountants~~
15 **private sector individual with experience in local economic development.**

16 (h) One female ~~member who is appointed from a list of three private sector~~
17 ~~individuals~~ **business owner or private sector individual** representing women's
18 business interests.

19 (i) One ~~member representing the Louisiana~~ **private sector individual with**
20 **experience in** ~~venture capital industry or the Louisiana~~ **or** ~~angel investor community~~
21 **investing.**

22 (j) One ~~member who is appointed from a list of three private sector~~
23 ~~individuals submitted by and currently serving on the Louisiana Workforce~~
24 ~~Investment Council Board~~ **private sector individual appointed at large.**

25 B. The secretary of the Department of Economic Development or a designee
26 shall serve a term coterminous with his term in office. The remaining members shall
27 serve four-year terms, except that, of the initial appointments, three shall be for two-
28 year terms, three shall be for three-year terms, and two shall be for four-year terms.

29 Vacancies shall be filled in the manner of original appointment. **No member shall**

1 be eligible to serve more than two terms; however, after the expiration of the
 2 term of a member appointed to serve three years or less, two additional terms
 3 may be served if appointed thereto. Any appointment to fill a vacancy shall be
 4 for the unexpired term. A person appointed to fill a vacancy may be appointed
 5 to serve two additional terms. A vacant board position shall not be counted as
 6 an active voting member in determining a quorum until a successor has been
 7 appointed as provided in this Subsection.

8 * * *

9 §2312. Powers and authority; duties

10 * * *

11 D. The corporation is hereby authorized and shall have all the authority and
 12 power necessary in order to carry out and effectuate the purposes and provisions of
 13 this Chapter, including, without limiting the generality of the foregoing, the
 14 following specific powers which shall be in addition to others herein granted:

15 * * *

16 (15) To direct the state treasurer to invest, in a separate portfolio, the
 17 funds received for Louisiana Economic Development from any federal agency
 18 in accordance with federal guidelines. All investment income, net of investment
 19 expenditures, shall be credited to Louisiana Economic Development to be used
 20 as program revenue for associated funding.

21 * * *

22 §2403. Small Business Innovation Fund; purpose; program administration

23 * * *

24 E. Subject to appropriation and the provisions of this Section, monies in the
 25 fund shall be used by the Department of Economic Development for awarding grants
 26 to selected applicants. The Louisiana Economic Development Corporation,
 27 hereinafter referred to as "corporation", ~~in conjunction with the Louisiana State~~
 28 ~~University and Agricultural and Mechanical College Louisiana Technology Transfer~~
 29 ~~Office, hereinafter referred to as "LTTO", shall administer awards to selected~~

1 applicants in the form of grants. The ~~LETT~~ **corporation** shall establish criteria for
2 grant eligibility, provide for an application process, and select eligible Louisiana
3 business applicants to receive monies from the fund.

4 F. Up to one hundred fifty thousand dollars shall be annually disbursed from
5 the fund as follows:

6 * * *

7 (3) Up to thirty thousand dollars shall be appropriated to the ~~LETT~~
8 **corporation** for the purpose of funding technical assistance, outreach programs, and
9 program-related promotions.

10 Section 5. R.S. 36:106 and 107 are hereby repealed.

11 Section 6. The positions of members of the board of the directors of the Louisiana
12 Economic Development Corporation serving on the effective date of this Act whose terms
13 have expired shall be considered vacant.

14 Section 7. At the expiration of the terms of the members of the board of directors
15 serving on the effective date of this Act, or in the event of any vacancy on the board of
16 directors, successors shall be appointed and serve for terms in accordance with R.S. 51:2311.

17 Section 8. The Louisiana Law Institute is hereby directed to change all references to
18 the "Department of Economic Development" to "Louisiana Economic Development"
19 throughout the Louisiana Revised Statutes of 1950.

20 Section 9. 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
24 effective on the day following such approval.

The original instrument was prepared by Michelle D. Ridge. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

DIGEST

SB 494 Reengrossed 2024 Regular Session Mizell

Present law establishes the Department of Economic Development (department) as one of the twenty departments of the executive branch.

Proposed law renames the Department of Economic Development to Louisiana Economic Development (LED).

Present law provides for the purposes and functions of the department.

Present law provides for officers of the department, including the secretary, undersecretary, deputy secretary if appointed, and assistant secretaries.

Proposed law removes the present law references to the positions of undersecretary and assistant secretaries.

Proposed law provides that neither the secretary nor the deputy secretary shall be a statewide elected official.

Present law provides for powers, duties, and authority of the secretary.

Proposed law retains present law and adds:

- (1) The secretary shall direct an office within LED to develop and implement a plan to actively seek federal, private, and other grants to support the activities of LED and advance the economic growth and prosperity of the state.
- (2) The secretary shall develop a comprehensive strategic plan and long range economic development plan in consultation with, and advice from, the La. Economic Development Partnership.
- (3) The secretary shall have the authority to exercise discretion in reconsidering the disallowance of any amounts of an incentive administered by Louisiana Economic Development when the basis of the disallowance relates to the expiration of filing deadlines or the failure to perform a requirement of the program due to the occurrence of an event beyond the control of the incentive recipient.
- (4) The secretary shall have the authority to enter into a lease of an industrial megasite with approval of the governor, consisting of immovable property under the control and supervision of Louisiana Economic Development as of May 1, 2024 that has been certified by the department as development-ready to a nongovernmental entity in connection with a state economic development project.

Proposed law creates the La. Economic Development Partnership as an advisory committee to LED and provides for membership and terms of the committee.

Present law provides relative to procurement, generally, and the process for state agencies in the executive branch to procure information technology.

Proposed law retains present law but provides that present law, including the oversight and procurement authority of the chief information officer and the office of technology services,

does not apply to the purchase, lease, and rental of all information technology equipment, related services, and software by LED. Provides that LED shall be subject to administrative rules and regulations adopted for procurement.

Present law provides relative to monies in the Marketing Fund, which provides for an appropriation be made from this fund to LED for certain purposes, including one million dollars annually to be used for marketing education.

Proposed law changes the purpose of the annual one million dollar appropriation from marketing education to regional or local economic development marketing, following guidelines to be developed by the secretary for objective, performance-based criteria for the distribution of the one million dollars.

Present law provides relative to the Louisiana Economic Development Corporation (corporation) and provides for its membership, duties, powers, and function. Provides for the following members:

- (1) The secretary of LED or his designee.
- (2) One minority member who is appointed from a list of three private sector individuals submitted by La.-based organizations representing minority business interests.
- (3) One member who is appointed from a list of three private sector individuals submitted by the La. Chapter of the AFL-CIO.
- (4) One member who is appointed from a list of three private sector individuals submitted by the La. Retailers Association.
- (5) One member who is appointed from a list of three private sector individuals submitted by the La. Bankers Association.
- (6) One member who is appointed from a list of three private sector individuals employed at community banks submitted by the La. Bankers Association.
- (7) One member who is appointed from a list of three private sector individuals submitted by the Society of La. Certified Public Accountants.
- (8) One female member who is appointed from a list of three private sector individuals representing women's business interests.
- (9) One member representing the La. venture capital industry or the La. angel investor community.
- (10) One member who is appointed from a list of three private sector individuals submitted by and currently serving on the La. Workforce Investment Council Board.

Proposed law retains the secretary of LED or his designee on the commission and changes qualifications of certain members and removes nominating bodies as follows:

- (1) One minority business owner or private sector individual representing minority business interests.
- (2) One private sector individual with experience as a startup founder.
- (3) One private sector individual with experience in regional economic development.
- (4) One private sector individual with experience from within a community bank, community development financial institution, or credit union.

- (5) One private sector individual with experience in commercial banking.
- (6) One private sector individual with experience in local economic development.
- (7) One female business owner or private sector individual representing women's business interests.
- (8) One private sector individual with experience in venture or angel investing.
- (9) One private sector individual appointed at large.

Proposed law provides for appointments and term limits of members of the corporations, a quorum, and vacancies.

Present law provides for power and authority of the corporation.

Proposed law retains present law and further provides that the corporation has the power to direct the state treasurer to invest, in a separate portfolio, the funds received for LED from any federal agency in accordance with federal guidelines. All investment income, net of investment expenditures, shall be credited to LED to be used as program revenue for associated funding.

Present law provides for the Small Business Innovation Fund and requires the corporation to work in conjunction with LSU La. Technology Transfer Office.

Proposed law removes present law provision requiring the corporation to work in conjunction with LSU La. Technology Transfer Office.

Proposed law directs the La. Law Institute to change references to "Department of Economic Development" to "Louisiana Economic Development" throughout the La. Revised Statutes of 1950.

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

(Amends R.S. 36:4(A)(2), 101(A), 102, 104(A)(6), R.S. 47:318(B)(2)(intro para) and 318(B)(2)(a), and R.S. 51:2311(A)(2) and (B), 2403(E) and (F)(3); adds R.S. 36:104(A)(16), (17), and (B)(10), and 110, R.S. 39:196(D) and 1554(T), and R.S. 51: 2312(D)(15); repeals R.S. 36:106 and 107)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Allows the secretary to negotiate settlement agreements for all statutory incentive programs administered by LED.
2. Provides that the secretary shall serve as an ex-officio and a nonvoting committee member of the LED partnership.
3. Removes the requirement to transfer any unobligated general funds appropriated to LED at the end of the fiscal year to the La. Economic Development Fund.
4. Exempts the purchase, lease, and rental of all information technology equipment, related services, and software by LED from the oversight and procurement authority of the office of technology services.

5. Provides that the corporation has the power to direct the state treasurer to invest in funds received for LED from any federal agency.
6. Makes technical changes.

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Removes provision requiring any unobligated general funds appropriated to Louisiana Economic Development at the end of a fiscal year to be transferred to the Louisiana Economic Development Fund.
2. Removes repeal of present law provisions authorizing the Louisiana Economic Development Corporation to establish a nonprofit corporation.
3. Authorizes the secretary to exercise discretion in reconsidering the disallowance of any amounts of an incentive administered by LED in certain circumstances.
4. Authorizes the secretary to enter into a lease of an industrial megasite with the approval of the governor, consisting of immovable property under the control and supervision of Louisiana Economic Development as of May 1, 2024.
5. Adds provisions relative to the membership and terms of the advisory committee.
6. Makes technical corrections.