
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 Xavier Alexander.

DIGEST

SB 494 Re-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 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, 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.

Senate Floor Amendments to reengrossed bill

1. Removes provisions exempting LED from information technology procurement and the La. Procurement Code.
2. Removes provisions that requires LED to be subject to administrative rules and regulations adopted for procurement.
3. Makes technical changes.