

SENATE BILL NO. 494

BY SENATORS MIZELL, ABRAHAM, BARROW, BOUDREAUX, CATHEY, CLOUD, COUSSAN, EDMONDS, FESI, HENRY, JACKSON-ANDREWS, KLEINPETER, MILLER, MORRIS, PRESSLY, STINE AND WOMACK AND REPRESENTATIVES BERAULT, BUTLER, CARVER, CHASSION, ECHOLS, EGAN, GLORIOSO, HEBERT, MIKE JOHNSON, JACOB LANDRY, MCMAKIN, MYERS, THOMPSON, WRIGHT AND WYBLE

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 for information
14 technology procurement; to provide relative to procurement; to provide for
15 exceptions; to provide for the distribution and investment of certain funds; to provide
16 relative to terms, conditions, exceptions, and procedures; and provide for related
17 matters.

18 Be it enacted by the Legislature of Louisiana:

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

22 §4. Structure of executive branch of state government

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

13 * * *

14 (2) ~~Department of~~ Louisiana Economic Development.

15 * * *

16 CHAPTER 3. ~~DEPARTMENT OF~~ LOUISIANA ECONOMIC DEVELOPMENT

17 §101. ~~Department of~~ Louisiana Economic Development; creation; domicile;
 18 composition; purposes and functions

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

22 * * *

23 §102. Officers of ~~the department,~~ Louisiana Economic Development;
 24 compensation for one office only

25 A. The officers of ~~the department~~ Louisiana Economic Development shall
 26 be the secretary, ~~the undersecretary,~~ and the deputy secretary if a deputy secretary
 27 is appointed, ~~and assistant secretaries,~~ each of whom shall be selected and shall
 28 perform functions as provided in this Title.

29 B. No person serving as a secretary; or deputy secretary; ~~undersecretary, or~~
 30 ~~assistant secretary~~ shall receive any additional salary from the state other than that

1 salary which he receives by virtue of serving in any one of such offices. ~~Any~~ **Neither**
 2 **the secretary nor the deputy secretary shall be a** statewide elected official
 3 ~~appointed to serve as a secretary, deputy secretary, undersecretary, or assistant~~
 4 ~~secretary shall not receive any additional salary from the state other than that salary~~
 5 ~~which he receives as a statewide elected official.~~

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

12 * * *

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

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

16 * * *

17 (6) Act as the sole agent of the state or, in necessary cases, designate one of
 18 the offices within the department ~~or its assistant secretary,~~ to cooperate with the
 19 federal government and with other state and local agencies in matters of mutual
 20 concern and in the administration of federal funds granted to the state or directly to
 21 the department or an office thereof to aid in the furtherance of any function of the
 22 department and its offices. For this purpose he may take such actions, in accordance
 23 with any applicable state law, necessary to meet such federal standards as are
 24 established for the administration and use of such federal funds, except as otherwise
 25 specifically provided in this Title or by the constitution and laws of this state. **The**
 26 **office shall develop and implement a plan to actively seek federal, private, and**
 27 **other grants to support the activities of the department and advance the**
 28 **economic growth and prosperity of the state.**

29 * * *

30 **(16) Develop a comprehensive strategic plan and long-range economic**

1 development plan in consultation with, and advice from, the Louisiana
2 Economic Development Partnership.

3 (17) Notwithstanding any provision of law to the contrary and with the
4 approval of the commissioner of administration, have the authority to enter into
5 a cooperative endeavor agreement providing for the lease of property under the
6 control and supervision of Louisiana Economic Development for establishment
7 and operation of a facility for the purpose of creating economic benefits to the
8 state, including new jobs, payroll, or other benefits.

9 B. The secretary shall have the authority to:

10 * * *

11 (10) Notwithstanding any provision of law to the contrary, exercise
12 discretion in reconsidering the disallowance of any amounts of an incentive
13 administered by Louisiana Economic Development when the basis of the
14 disallowance relates to the expiration of filing deadlines or the failure to
15 perform a requirement of the program due to the occurrence of an event
16 beyond the control of the incentive recipient.

17 * * *

18 §110. Louisiana Economic Development Partnership; advisory committee

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

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

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

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

29 (c) One member appointed by the speaker of the House of
30 Representatives.

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

3 C. No member of the advisory committee shall hold an elected office
4 while serving as an appointed member of the advisory committee.

5 D. Vacancies on the advisory committee shall be filled in the same
6 manner as the original appointment.

7 E. The secretary of Louisiana Economic Development or his designee
8 shall serve a term coterminous with the term of the governor. The remaining
9 members shall serve four-year terms, except that, of the initial appointments,
10 four shall be for two-year terms, four shall be for three-year terms, and three
11 shall be for four-year terms. Vacancies shall be filled in the manner of original
12 appointment. No member shall be eligible to serve more than two terms;
13 however, after the expiration of the term of a member appointed to serve three
14 years or less, two additional terms may be served if appointed thereto. A person
15 appointed to fill a vacancy may be appointed to serve two additional terms.

16 F. The committee shall meet at least quarterly and may hold additional
17 meetings as necessary.

18 G. A majority of the appointed members of the committee shall
19 constitute a quorum.

20 H. Members of the committee shall serve without compensation, but each
21 member shall be entitled to reimbursement of actual and necessary expenses
22 incurred in the performance of official duties in accordance with state travel
23 regulations.

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

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

27 §196. Application of Part: responsibility for determining; state chief information
28 officer

29 * * *

30 D. Notwithstanding any other provision of law to the contrary, the

1 purchase, lease, and rental of all information technology equipment, related
 2 services, and software by Louisiana Economic Development shall be exempt
 3 from this Part, and the oversight and procurement authority of the chief
 4 information officer and office of technology services provided for in R.S. 39:15.1
 5 et seq., except Louisiana Economic Development shall be required to continue
 6 as a LaGov agency for use of the enterprise resource planning. Louisiana
 7 Economic Development shall develop rules and regulations for the purposes
 8 adopted in this Subsection in accordance with the Administrative Procedure
 9 Act. Louisiana Economic Development and the office of technology services
 10 shall establish a transition plan that shall be completed by June 30, 2025. The
 11 actions taken pursuant to this Subsection shall be subject to the approval of the
 12 commissioner of administration before they are sent to committees required for
 13 review of agency rules in R.S. 49:966(B)(1).

14 * * *

15 §1554. Application of this Chapter

16 * * *

17 T. This Chapter shall not apply to Louisiana Economic Development;
 18 however, Louisiana Economic Development shall be required to continue as a
 19 LaGov agency, and shall adopt procurement provisions pursuant to rules
 20 adopted in accordance with the Administrative Procedure Act. The rules
 21 created by Louisiana Economic Development pursuant to this Subsection shall
 22 be subject to the approval of the commissioner of administration before they are
 23 sent to committees required for review of agency rules in R.S. 49:966(B)(1). In
 24 addition, the House Committee on Appropriations and the Senate Committee
 25 on Finance shall also have authority for review of agency rules as provided in
 26 R.S. 49:950 et seq.

27 Section 3. The introductory paragraph of R.S. 47:318(B)(2) and R.S. 47:318(B)(2)(a)
 28 are hereby amended and reenacted to read as follows:

29 §318. Disposition of collections

30 * * *

1 B. * * *

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

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

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

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

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

15 * * *

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

18 §2311. Louisiana Economic Development Corporation; creation; domicile; board of
19 directors; terms; agency

20 A. * * *

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

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

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

26 ~~(c) One member who is appointed from a list of three private sector~~
27 ~~individuals submitted by the Louisiana Chapter of the AFL-CIO~~ **private sector**
28 **individual with experience as a startup founder.**

29 ~~(d) One member who is appointed from a list of three private sector~~
30 ~~individuals submitted by the Louisiana Retailers Association~~ **private sector**

1 individual with experience in regional economic development.

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

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

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

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

15 (i) ~~One member representing the Louisiana~~ private sector individual with
 16 experience in venture capital industry ~~or the Louisiana~~ or angel investor community
 17 investing.

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

21 B. The secretary of the Department of Economic Development or a designee
 22 shall serve a term coterminous with his term in office. The remaining members shall
 23 serve four-year terms, except that, of the initial appointments, three shall be for two-
 24 year terms, three shall be for three-year terms, and two shall be for four-year terms.
 25 Vacancies shall be filled in the manner of original appointment. No member shall
 26 be eligible to serve more than two terms; however, after the expiration of the
 27 term of a member appointed to serve three years or less, two additional terms
 28 may be served if appointed thereto. Any appointment to fill a vacancy shall be
 29 for the unexpired term. A person appointed to fill a vacancy may be appointed
 30 to serve two additional terms. A vacant board position shall not be counted as

1 an active voting member in determining a quorum until a successor has been
2 appointed as provided in this Subsection.

3 * * *

4 §2312. Powers and authority; duties

5 * * *

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

10 * * *

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

16 * * *

17 §2403. Small Business Innovation Fund; purpose; program administration

18 * * *

19 E. Subject to appropriation and the provisions of this Section, monies in the
20 fund shall be used by the Department of Economic Development for awarding grants
21 to selected applicants. The Louisiana Economic Development Corporation,
22 hereinafter referred to as "corporation", ~~in conjunction with the Louisiana State~~
23 ~~University and Agricultural and Mechanical College Louisiana Technology Transfer~~
24 ~~Office, hereinafter referred to as "LTFO",~~ shall administer awards to selected
25 applicants in the form of grants. The ~~LTFO~~ **corporation** shall establish criteria for
26 grant eligibility, provide for an application process, and select eligible Louisiana
27 business applicants to receive monies from the fund.

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

30 * * *

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

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

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

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

11 Section 8. The Louisiana State Law Institute is hereby directed to change all
12 references to the "Department of Economic Development" to "Louisiana Economic
13 Development" throughout the Louisiana Revised Statutes of 1950.

14 Section 9. This Act shall become effective upon signature by the governor or, if not
15 signed by the governor, upon expiration of the time for bills to become law without signature
16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
17 vetoed by the governor and subsequently approved by the legislature, this Act shall become
18 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____