

RÉSUMÉ DIGEST

ACT 590 (SB 494)

2024 Regular Session

Mizell

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

New law renames the Dept. of Economic Development to La. Economic Development (LED).

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

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

New law retains prior law but removes the positions of undersecretary and assistant secretaries.

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

Prior law provided for powers, duties, and authority of the secretary.

New law retains prior 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 LED 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 cooperative endeavor agreement providing for the lease of property under the control and supervision of LED for establishment and operation of a facility for the purpose of creating economic benefits to the state, including new jobs, payroll, or other benefits.

Prior law provided for information technology procurement.

Prior law provided for the scope of the office of technology services.

New law retains prior law and provides that the purchase, lease, and rental of all information technology equipment, related services, and software by LED shall be exempt from prior law and the oversight and procurement authority of the chief information officer and office of technology services provided for in prior law. New law requires LED to continue as a LaGov agency for use of the enterprise resource planning. New law provides that LED shall develop rules and regulations to implement new law. LED and the office of technology services shall establish a transition plan that shall be completed by June 30, 2025. The actions taken pursuant to new law are subject to the approval of the commissioner of administration before they are sent to committees required for review of agency rules.

Prior law provided for the Louisiana Procurement Code.

New law retains prior law but provides that prior law is not applicable to LED; however, LED shall be required to continue as a LaGov agency, and shall adopt procurement provisions by rules in accordance with the administrative rulemaking provisions. The rules created by LED pursuant to new law shall be subject to the approval of the commissioner of administration before they are sent to committees required for review of agency rules. In

addition, the House Committee on Appropriations and the Senate Committee on Finance shall also have authority for review of agency rules.

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

Prior law provided 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.

New law changes prior law annual appropriation of the one million dollars 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.

Prior law provided relative to the La. Economic Development Corporation (corporation) and provided for its membership, duties, powers, and function. Provided 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.

New law retains the secretary of LED or his designee on the commission as provided in prior law but 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.

New law provides for appointments and term limits of members of the corporation, a quorum, and vacancies.

Prior law provided for power and authority of the corporation.

New law retains prior 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.

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

New law retains prior law and removes provision requiring the corporation to work in conjunction with LSU La. Technology Transfer Office.

Effective June 11, 2024.

(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)