

2015 Regular Session

SENATE BILL NO. 185

BY SENATOR WALSWORTH

TAX/TAXATION. Requires that businesses under the La. Enterprise Zone Act certify that at least fifty percent of its employees meet certain residency requirements. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 51:1787(B)(3)(b), relative to the Louisiana Enterprise Zone Act;
3 to require that businesses certify that at least fifty percent of employees satisfy
4 certain residency requirements; to provide for the applicability of the requirement;
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1787(B)(3)(b) is hereby amended and reenacted to read as
8 follows:

9 §1787. Incentives

10 * * *

11 B. The board may enter into the contracts provided in Subsection A of this
12 Section provided that:

13 * * *

14 (3)

15 * * *

16 (b) In addition to the requirements of Subparagraph (a) of this Paragraph,
17 eligibility for a retail ~~business~~ **businesses** which is are assigned a North American

1 Industry Classification Code of 44, ~~or 45,~~ **or 722 shall be limited to the following:**

2 ~~(i) and has more than one hundred employees nationwide including affiliates~~
3 ~~prior to the contract effective date shall be limited to grocery~~ **Grocery** stores and
4 pharmacies located in an enterprise zone **and which have more than fifty**
5 **employees nationwide including affiliates prior to the contract's effective date,**
6 as ~~such~~ **those** terms are defined by ~~the~~ department ~~by~~ rules promulgated in
7 accordance with the Administrative Procedure Act.

8 **(ii) Businesses located in a parish having a population not in excess of**
9 **seventy-five thousand persons and businesses located in an enterprise zone**
10 **within a parish having a population in excess of seventy-five thousand persons**
11 **which businesses have fifty or fewer employees nationwide including affiliates**
12 **prior to the effective date of the contract.**

13 Section 2. The provisions of this Act shall apply to any contract for which an
14 advance notification form is filed on or after the effective date of this Act.

15 Section 3. This Act shall become effective upon signature by the governor or, if not
16 signed by the governor, upon expiration of the time for bills to become law without signature
17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
18 vetoed by the governor and subsequently approved by the legislature, this Act shall become
19 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Thomas L. Tyler.

DIGEST

SB 185 Original 2015 Regular Session Walsworth

Present law authorizes the State Board of Commerce and Industry to execute contracts with
businesses for certain tax incentives under the Louisiana Enterprise Zone Act ("Act"), after
consultation with the secretaries of the Department of Economic Development and the
Department of Revenue, and with the governor's approval.

Present law provides that to be eligible for an incentive under the program, businesses are
to certify that at least 50% of their employees meet at least one of the following
qualifications:

- (1) The employees are residents of either an enterprise zone in Louisiana, for a business
located in an urban enterprise zone or a business not located in either an enterprise
zone or an economic development zone or that the employees reside in the same

parish as the location of the business, or any enterprise zone in Louisiana, for a business located in a rural enterprise zone, an economic development zone, or an enterprise zone in Calcasieu Parish.

- (2) The employees were receiving some form of public assistance during the six-month period prior to employment.
- (3) The employees were considered unemployable by traditional standards, or lacking in basic skills.

Proposed law retains these provisions.

Present law provides that in addition to the residence requirement, eligibility for a retail business, assigned a North American Industry Classification Code (NAICC) of 44 or 45 having more than 100 employees nationwide including affiliates prior to the contract effective date, is limited to grocery stores and pharmacies located in an enterprise zone, as those terms are defined by department rules are eligible to participate in the incentive program.

Proposed law changes the number of nationwide employees to more than 50 employees instead of no more than 100 employees and allows retail businesses with a NAICC of 722 to participate in the incentive program.

Proposed law provides that businesses with a NAICC of 44, 45, or 722 which are located in a parish having a population not in excess of 75,000 persons and businesses located in an enterprise zone within a parish having a population in excess of 75,000 persons and which businesses have 50 or fewer employees nationwide including affiliates prior to the contract's effective date are allowed to participate in the incentive program under the Act.

Proposed law applies to any contract for which an advance notification form is filed on or after the effective date of proposed law.

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

(Amends R.S. 51:1787(B)(3)(b))