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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

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DIGEST

SB 228 Original

2021 Regular Session

Jackson

Proposed law creates the Louisiana Agricultural Recovery Program to provide economic support for Louisiana farmers by using a portion of the monies in the amount of \$200,000,000 received from Louisiana's allocation from the American Rescue Plan Act to be used for responding to the COVID-19 public health emergency, to offset revenue losses, bolster economic recovery, and to provide premium pay for essential workers, in a program to be administered by the Louisiana Agricultural Finance Authority.

Proposed law provides for the definitions of "American Rescue Plan Act"; "COVID-19"; "Economic support", "Eligible worker", "Farmer", "Louisiana Agricultural Finance Authority" or "LAFA", "Minority business enterprise", "Premium pay", "Recovery Fund", "Recovery Program", and "State".

Proposed law creates a special fund in the state treasury, the Louisiana Agricultural Recovery Fund to provide economic support to eligible Louisiana farmers for costs incurred in connection with COVID-19 and for those purposes which are eligible under the U.S. Dept. of Treasury guidance on the use of Coronavirus State and Local Fiscal Recovery Funds allocated to the state pursuant to the American Rescue Plan Act. Expenses disallowed by the American Rescue Plan Act or any guidance or regulation issued by the U.S. Dept. of Treasury shall not be an eligible expense.

Proposed law authorizes the treasurer, pursuant to legislative appropriation, to transfer to the Recovery Fund the amount of \$200,000,000 in federal funding from the first funds received by the state from the American Rescue Plan Act. Monies in the Recovery Fund shall be invested in the same manner as monies in the state general fund. Provides that any unexpended monies shall remain in the fund until November 30, 2024, at which time any unexpended and unobligated funds shall be returned to the state treasury to either be used for permissible purposes under the American Rescue Plan Act or returned to the U.S. Treasury. Except as provided in this Section and as applicable under federal guidelines, unexpended and unencumbered monies in the Recovery Fund shall remain in the Recovery Fund. Monies in the Recovery Fund shall be appropriated and used solely as provided in this Section.

Proposed law authorizes up to 5% of the monies initially deposited in the Recovery Fund to be appropriated to the LAFA for use in Fiscal Years 2021, 2022, 2023, and 2024 to develop procedures for the administration of and for the costs of administering the Recovery Program. Such expenses may include costs for the Louisiana Agriculture Finance Authority and the legislative auditor for work performed in the execution of the program. Authorizes the LAFA to enter into a consulting services contract as an emergency procurement, to expedite the distribution of the funds appropriated for the Recovery Program. The cost of such contract shall be an administrative expense of the Recovery Program. Further provides that remaining monies in the Recovery Fund, after providing for administrative expenses, shall be appropriated for eligible farmers to offset revenue losses,

bolster economic recovery for farmers, and to provide premium pay for essential farm workers that submit applications pursuant to proposed law.

Proposed law creates the Louisiana Agricultural Recovery Program to be administered by the Louisiana Agricultural Finance Authority. Provides that LAFA shall announce the date that the program shall begin no later than July 1, 2021.

Proposed law limits grants to a maximum of \$25,000,000.

Proposed law authorizes LAFA to ensure that within the first 60 days of the Recovery Program no less than \$25,000,000 in economic support, exclusive of administrative expenses, shall be awarded to minority business enterprises.

Proposed law requires each recipient of a grant shall provide a certification signed by the eligible farmer that the proposed use of the funds are consistent with the American Rescue Plan Act. The certification shall also provide that the business shall hold the state harmless and indemnify the state in the event that payments were misappropriated, converted, or spent for any purpose other than those authorized by and in accordance with the American Rescue Plan Act.

Proposed law provides that within thirty calendar days after receiving a submission, LAFA shall review and, if the grant is eligible, LAFA may approve the grant. Funds appropriated for verified claims shall be disbursed by LAFA within five days of the approval.

Proposed law provides for the duties of the legislative auditor.

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

(Adds R.S. 3:286)