

2021 Regular Session

HOUSE BILL NO. 642

BY REPRESENTATIVES SCHEXNAYDER AND ZERINGUE AND SENATOR CORTEZ

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/FUNDING-GRANTS: Provides for the disbursement of monies received from the American Rescue Plan Act of 2021

1 AN ACT

2 To enact R.S. 39:100.44.1 and Subpart N of Part II-A of Chapter 1 of Subtitle I of Title 39  
3 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:100.51  
4 through 100.56, relative to the disbursement of monies received from the American  
5 Rescue Plan Act of 2021; to create funds for the deposit of federal monies received  
6 from the American Rescue Plan Act of 2021; to create programs for the  
7 administration of monies from the funds; to provide for an effective date; and to  
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:100.44.1 and Subpart N of Part II-A of Chapter 1 of Subtitle I of  
11 Title 39 of the Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.51 through  
12 100.56, are hereby enacted to read as follows:

13 §100.44.1. Louisiana Main Street Recovery Program; Louisiana Rescue Plan Funds

14 A. Notwithstanding the provisions of R.S. 39:100.44, the treasurer shall  
15 utilize the resources of the Louisiana Main Street Recovery Program to administer  
16 the Louisiana Loggers Relief Program and the Louisiana Save Our Screens Program  
17 as provided in this Section. The treasurer may utilize up to five percent of the  
18 monies in the Louisiana Loggers Relief Fund and the Louisiana Save Our Screens

1 Fund for administration of the programs. Notwithstanding any provision of law to  
2 the contrary, the treasurer may enter into consulting services, professional services,  
3 and information and technology services contracts for the purpose of the  
4 procurement of any goods or services necessary to implement and expedite the  
5 distribution of funds as emergency procurements exempt from the provisions of the  
6 Louisiana Procurement Code and corresponding rules and regulations. The cost of  
7 such contracts shall be considered administrative expenses.

8 B. Any business receiving funding from a program within the Louisiana  
9 Main Street Recovery Program pursuant to this Section shall meet the following  
10 criteria:

11 (1) Had a physical and active operation in Louisiana as of March 1, 2020.

12 (2) Had fifty or fewer full-time equivalent employees as of March 1, 2020.

13 (3) Filed Louisiana taxes for tax years 2019 and 2020.

14 (4) Experienced a revenue loss of ten percent or greater of gross revenue for  
15 the period of January 1, 2020, through December 31, 2020, as compared to the gross  
16 revenue of the business during the same period in 2019.

17 (5) Is in good standing with the secretary of state.

18 (6) Does not exist for the purpose of advancing partisan political activity.

19 (7) Does not directly lobby federal or state officials.

20 (8) Does not derive income from passive investments without active  
21 participation in business operations.

22 C. Any grant award received pursuant to this Section combined with any  
23 monies received pursuant to the Louisiana Main Street Recovery Program as  
24 provided in R.S. 39:100.44, United States Small Business Administration-Guaranty  
25 Paycheck Protection Program loan, and United States Small Business Administration  
26 Economic Injury Disaster Loan Emergency Advance shall not exceed the amount of  
27 revenue loss experienced by the business during the period provided for in  
28 Subsection (B)(4) of this Section.

1           D. Priority shall be given to businesses that previously submitted  
2           applications to the Louisiana Main Street Recovery Program as provided in R.S.  
3           39:100.44 but whose applications were not considered due to exhaustion of monies  
4           in the Louisiana Main Street Recovery Fund.

5           E. The Louisiana Loggers Relief Program is hereby established as a  
6           component of the Louisiana Main Street Recovery Program. The program shall  
7           provide grants to eligible timber harvesting and timber hauling businesses impacted  
8           by COVID-19. Any grant received pursuant to this Subsection shall not exceed  
9           twenty-five thousand dollars per business. In addition to the criteria provided in  
10          Subsection B of this Section, a timber harvesting or timber hauling business shall  
11          meet all of the following criteria to be eligible to receive a grant:

12                   (1) Is assigned a North American Industry Classification System Code of  
13                   113310 or 484220.

14                   (2) Is certified by the Louisiana Forestry Association as a master logger.

15                   (3) Is not a subsidiary of a business with more than fifty full-time equivalent  
16                   employees, is not part of a larger business enterprise with more than fifty full-time  
17                   equivalent employees, and is not owned by a business with more than fifty full-time  
18                   equivalent employees.

19           F. The Louisiana Save Our Screens Program is hereby established as a  
20           component of the Louisiana Main Street Recovery Program. The program shall  
21           provide grants to eligible movie theater businesses impacted by COVID-19. Any  
22           grant received pursuant to this Subsection shall not exceed ten thousand dollars per  
23           movie screen located in Louisiana. Theatres with corporate ownership based outside  
24           of Louisiana shall use funds received pursuant to this Subsection for Louisiana-based  
25           screens and operations. In addition to the criteria provided in Subsection B of this  
26           Section, a business shall meet all of the following criteria to be eligible to receive a  
27           grant:

1           (1) Is a movie theater that has at least one permanent indoor auditorium for  
2           viewing films for entertainment by the general public who attend by the purchase of  
3           an individual ticket to view a specific non-adult-oriented film.

4           (2) Conducted regularly scheduled screenings in Louisiana in calendar year  
5           2019.

6           (3) Is currently open and actively operating as of the effective date of this  
7           Section.

8           (4) Was subject to limitations or restrictions as a result of Proclamation  
9           Number 25 JBE 2020 or any subsequent gubernatorial proclamations related to  
10           COVID-19.

11                   SUBPART N. LOUISIANA RESCUE PLAN FUND

12           §100.51. Louisiana Rescue Plan Fund; purpose

13           A. There is hereby created in the state treasury, as a special fund, the  
14           "Louisiana Rescue Plan Fund", hereinafter referred to in this Section as the "fund".

15           B. Except for four hundred million dollars which shall be paid to the  
16           Clearing Account of the Unemployment Compensation Fund pursuant to R.S.  
17           23:1491, the state treasurer is hereby authorized and directed to deposit in and credit  
18           to the fund any federal monies allocated to Louisiana pursuant to Coronavirus State  
19           Fiscal Recovery Fund of the American Rescue Plan Act of 2021.

20           C. Monies in the fund shall be invested in the same manner as monies in the  
21           state general fund. Interest earned on investment of monies in the fund shall be  
22           credited to the fund. Unexpended and unencumbered monies in the fund at the end  
23           of the fiscal year shall remain in the fund.

24           D. Monies in the fund shall be allocated as provided in this Subpart.

25           E. If the legislature is not in session, the Joint Legislative Committee on the  
26           Budget is authorized to appropriate monies from the Louisiana Rescue Plan Fund or  
27           any of the funds created pursuant to this Subpart. Any such appropriation shall be  
28           consistent with guidance promulgated by the United States Treasury. The committee

1 is further authorized to approve the transfer of funds between any of the funds  
2 created pursuant to this Subpart.

3 §100.52. Louisiana Water Infrastructure Fund

4 A. There is hereby created in the state treasury, as a special fund, the  
5 Louisiana Water Infrastructure Fund, hereinafter referred to in this Section as the  
6 "fund". The treasurer is hereby authorized and directed to transfer three hundred  
7 million dollars from the Louisiana Rescue Plan Fund into the Louisiana Water  
8 Infrastructure Fund.

9 B. Monies in the fund shall be invested in the same manner as monies in the  
10 state general fund. Interest earned on the investment of monies in the fund shall be  
11 deposited in and credited to the fund.

12 C. Monies in the fund shall be used to provide grant funding for repairs,  
13 improvements, and consolidation of water systems and sewerage systems pursuant  
14 to the Louisiana Water Infrastructure Program as provided in R.S. 39:100.56.

15 §100.53. Granting Unserved Municipalities Broadband Opportunities Fund

16 A. There is hereby created in the state treasury, as a special fund, the  
17 Granting Unserved Municipalities Broadband Opportunities (GUMBO) Fund,  
18 hereinafter referred to in this Section as the "fund". The treasurer is hereby  
19 authorized and directed to transfer ninety million dollars from the Louisiana Rescue  
20 Plan Fund into the fund.

21 B. All unexpended and unencumbered monies in the fund at the end of the  
22 fiscal year shall remain in the fund. Monies in the fund shall be invested in the same  
23 manner as monies in the state general fund. Interest earned on the investment of  
24 monies in the fund shall be deposited in and credited to the fund.

25 C. Monies in the fund shall be used to provide grants to help fund broadband  
26 access in rural and disadvantaged areas pursuant to the provisions of the Granting  
27 Unserved Municipalities Broadband Opportunities program established by law.

1        §100.54. Louisiana Loggers Relief Fund

2            A. There is hereby created in the state treasury, as a special fund, the  
3        Louisiana Loggers Relief Fund, hereinafter referred to in this Section as the "fund".

4        The treasurer is hereby authorized and directed to transfer ten million dollars from  
5        the Louisiana Rescue Plan Fund into the fund. Monies in the fund shall be used to  
6        provide economic support grants to eligible Louisiana timber harvesting and timber  
7        hauling businesses in accordance with the provisions of the Louisiana Loggers Relief  
8        Program as provided in R.S. 39:100.44.1.

9            B. Monies in the fund shall be invested in the same manner as monies in the  
10       state general fund. Interest earned on the investment of monies in the fund shall be  
11       deposited in and credited to the fund.

12          C. Any remaining balance in the fund on January 1, 2022, shall be  
13       transferred to the Louisiana Rescue Plan Fund.

14        §100.55. Louisiana Save Our Screens Fund

15          A. There is hereby created in the state treasury, as a special fund, the  
16        Louisiana Save Our Screens Fund, hereinafter referred to in this Section as the  
17        "fund". The treasurer is hereby authorized to transfer four million five hundred  
18        thousand dollars from the Louisiana Rescue Plan Fund into the fund. Monies in the  
19        fund shall be used to provide economic support grants to eligible movie theater  
20        owners and operators in accordance with the Louisiana Save Our Screens Program  
21        as provided in R.S. 39:100.44.1.

22          B. Monies in the fund shall be invested in the same manner as monies in the  
23        state general fund. Interest earned on the investment of monies in the fund shall be  
24        deposited in and credited to the fund.

25          C. Any remaining balance in the fund on January 1, 2022, shall be  
26        transferred to the Louisiana Rescue Plan Fund.

1        §100.56. Louisiana Water Infrastructure Program

2            A. As used in this Section, the following terms shall have the following  
3        meanings:

4            (1) "Committee" shall mean the Joint Legislative Committee on the Budget.

5            (2) "Office" shall mean the office of public health in the Louisiana  
6        Department of Health.

7            (3) "Fund" shall mean the Louisiana Water Infrastructure Fund.

8            B. The Louisiana Water Infrastructure Program is hereby established to  
9        provide grant funding for repairs, improvements, and consolidation of community  
10       water systems. The office shall administer the program. The office shall establish  
11       a review panel comprised of employees of the office, the office of community  
12       development in the division of administration, the Department of Environmental  
13       Quality, and the legislative auditor. The review panel shall review and rate  
14       applications submitted by community water systems and local governing authorities  
15       and submit recommendations for funding to the Joint Legislative Committee on the  
16       Budget.

17           C. The office shall promulgate rules for the administration of the program.  
18        The rules shall include application requirements, a timeline for application  
19        submissions and approval, criteria for ratings, a process for prioritizing critical  
20        infrastructure needs, and requirements for waivers of matching funds or decreased  
21        match. The Administrative Procedure Act, R.S. 49:950 et seq., shall not apply to  
22        rules promulgated pursuant to this Section. No later than ninety days after the  
23        effective date of this Section, the office shall submit the rules to the committee for  
24        review and approval. Any changes to the initial rules shall require approval by the  
25        committee.

26           D. In addition to the rules provided for in Subsection C of this Section, the  
27        office shall submit a proposed budget outlining administrative expenses for the  
28        program to the committee for review and approval prior to implementing the  
29        program.

1           E. Notwithstanding any provision of law to the contrary, the office may enter  
2           into consulting services, professional services, and information and technology  
3           services contracts for the purpose of the procurement of any goods or services  
4           necessary to implement and expedite the distribution of funds as emergency  
5           procurements exempt from the provisions of the Louisiana Procurement Code and  
6           corresponding rules and regulations. The cost of such contracts shall be considered  
7           administrative expenses.

8           F. Each grant recipient shall be required to provide matching funds unless  
9           the review panel recommends waiving the match requirement.

10          G. Upon committee approval of the rules, the office shall begin accepting  
11          applications. The applications shall include the following, at a minimum:

12                 (1) The amount of grant funding requested.

13                 (2) The amount and proposed source of funding for the required match.

14                 (3) Proposals for repairs, improvements, or consolidation with neighboring  
15                 systems.

16                 (4) Proposals for ensuring the financial sustainability and compliance of the  
17                 systems, including proposals for increasing rates paid by users of the system based  
18                 on a fair assessment of the system to comparable systems.

19          H. The review panel's funding recommendations to the committee shall  
20          include:

21                 (1) Recommendations for utilization of existing resources including the  
22                 Drinking Water Revolving Loan Fund, Clean Water State Revolving Fund, and  
23                 Community Water Enrichment and Other Improvements Fund.

24                 (2) Certification that the local governing authority that operates the system  
25                 either utilized funding received pursuant to the Coronavirus Local Fiscal Recovery  
26                 Fund of the American Rescue Act Plan of 2021 as the source of funding for the  
27                 required match or had legitimate cause that precluded the use of those funds for the  
28                 match.



1           I. Upon approval of any funding recommendations, the committee may  
2           appropriate monies from the fund to the system or local governing authority that  
3           operates the system.

4           J. No money shall be expended from the fund without approval of the  
5           committee.

6           K. The provisions of R.S. 39:72.1(A) shall not apply to monies appropriated  
7           from the fund pursuant to this Section.

8           Section 2.(A) This Act shall become effective upon signature by the governor or, if  
9           not signed by the governor, upon expiration of the time for bills to become law without  
10           signature by the governor, as provided by Article III, Section 18 of the Constitution of  
11           Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act  
12           shall become effective on the day following such approval.

13           (B) Notwithstanding the provisions of Paragraph (A) of this Section, R.S. 39:100.53  
14           as enacted by the provisions of this Act shall become effective if and when the Act which  
15           originated as House Bill No. 648 of this 2021 Regular Session of the Legislature is enacted  
16           and becomes effective.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 642 Engrossed                                      2021 Regular Session                                      Schexnayder

**Abstract:** Creates funds and programs to administer monies from the American Rescue Plan Act of 2021.

Proposed law creates the Louisiana Rescue Plan Fund and directs the treasurer to deposit any federal monies allocated to Louisiana pursuant to Coronavirus State Fiscal Recovery Fund of the American Rescue Plan Act of 2021, except \$400 million to be paid to the Unemployment Compensation Fund, into the fund.

Proposed law creates the following funds and directs the treasurer to deposit the following amounts into the funds:

- (1) Louisiana Water Infrastructure Fund - \$300 million
- (2) Granting Unserved Municipalities Broadband Opportunities (GUMBO) Fund- \$90 million
- (3) Louisiana Loggers Relief Fund - \$10 million

- (4) Louisiana Save Our Screens Fund - \$4.5 million

#### **Louisiana Water Infrastructure Program**

Proposed law creates the Louisiana Water Infrastructure Program to provide grants to community water systems and sewer systems. Requires the office of public health to administer the program and to submit proposed rules for the administration of the program to JLCB within 90 days of the effective date of the bill.

Proposed law establishes a review panel comprised of the office of public health, Dept. of Environmental Quality, office of community development, and the legislative auditor to review and rate applications from local governments and water and sewer systems and make recommendations to JLCB for funding projects.

Proposed law provides requirements for certain information to be included with a local governing authority or system's application and the review panel's recommendations to JLCB.

Proposed law authorizes JLCB to appropriate funds to the system or local governing authority upon approval of the review panel's funding recommendation and prohibits any money from being expended from the Louisiana Water Infrastructure Fund without JLCB approval.

#### **Louisiana Loggers Relief Program**

Proposed law creates the Louisiana Loggers Relief Program to provide grants to timber harvesting and timber hauling businesses who suffered revenue loss due to COVID-19.

Proposed law establishes the program as a component of the Louisiana Main Street Recovery Program and outlines criteria for program eligibility.

Proposed law limits the grant amount to \$25,000 per eligible business.

#### **Louisiana Save Our Screens Program**

Proposed law creates the Louisiana Save Our Screens Program to provide grants to movie theaters in La. who were forced to close or reduce capacity due to COVID-19.

Proposed law establishes the program as a component of the Louisiana Main Street Recovery Program and outlines criteria for program eligibility.

Proposed law limits the grant amount to \$10,000 per movie screen located in La.

#### **Granting Unserved Municipalities Broadband Opportunities (GUMBO) Fund**

Proposed law creates the GUMBO Fund to provide grants to help fund broadband access in rural and disadvantaged areas pursuant to the provisions of the Granting Unserved Municipalities Broadband Opportunities program.

The creation of the GUMBO Fund and transfer of monies into the fund is effective if and when House Bill No. 648 of this 2021 R.S. is enacted and becomes effective.

The remaining provisions of the bill are effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 39:100.44.1 and 100.51-100.56)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Create the Louisiana Rescue Plan Fund, Louisiana Water Infrastructure Fund Granting Unserved Municipalities Broadband Opportunities Fund, Louisiana Loggers Relief Fund, and Louisiana Save Our Screens Fund.
2. Require the transfer of monies into the funds.
3. Establish programs for the administration of the funds.