

SENATE RESOLUTION NO. 178

BY SENATOR FOIL

A RESOLUTION

To urge and request the Louisiana Economic Development Corporation to deploy federal State Small Business Credit Initiative funds from the American Rescue Plan Act of 2021, to provide for improved access to capital for Louisiana small businesses.

WHEREAS, the Louisiana Small Business and Entrepreneurship Council has found that prior to the COVID-19 pandemic, small businesses in this state found it difficult to secure the required capital to start a business or grow an early-stage business; and

WHEREAS, the COVID-19 pandemic caused an unprecedented economic disruption and a financial crisis for many small businesses in our nation and state; and

WHEREAS, it is recognized that the needs of small businesses are immediate, and if there is not a timely response, Louisiana risks losing a foundational and essential element of its economy; and

WHEREAS, in response to the COVID-19 pandemic, ten billion dollars in funding was appropriated by congress to the United States Department of Treasury through the American Rescue Plan Act of 2021, P.L. 117-2, for the State Small Business Credit Initiative to provide relief and access to capital to small business owners who are in need and desperate for support for long-term recovery during and after this unprecedented public health and economic crisis; and

WHEREAS, the Louisiana Economic Development Corporation, pursuant to R.S. 51:2312, has within its duties, powers, and authority to serve as the single review board for certain financial assistance, loans, incentives, or inducements, customized workforce training, investment programs, and any related appropriations, grants, or joint ventures administered by the Department of Economic Development; and

WHEREAS, the Louisiana Economic Development Corporation is tasked with formulating and implementing policies for the delivery of services to Louisiana businesses, including ensuring that all qualified Louisiana businesses have sufficient access to capital.

THEREFORE, BE IT RESOLVED that the Senate of the Legislature of Louisiana does hereby urge and request that any federal funds received pursuant to the American Rescue Plan Act of 2021, P.L. 117-2, for the State Small Business Credit Initiative be deployed by the Louisiana Economic Development Corporation for certain state seed capital programs to provide for investment capital in order to increase funding and growth for small businesses.

BE IT FURTHER RESOLVED that the Senate of the Legislature of Louisiana makes the following recommendations for allocation of federal monies to accomplish this goal:

(1) An allocation to increase the capital capacity of Louisiana-based for-profit and not-for-profit venture capital funds for the purpose of emphasizing equity funding for small business ventures and startups.

(2) An allocation to serve minority, woman, and veteran-owned businesses and small businesses located in Louisiana opportunity zones as designated by 26 U.S.C. 1400Z-1 for the purpose of directing funding to underserved business populations.

(3) An allocation for early stage and growth stage companies for the purpose of promoting entrepreneurship and innovation by Louisiana small businesses and startups.

(4) An allocation to enhance state support for technology research and commercialization efforts in Louisiana and further leverage the federal Small Business Innovation Research Program.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the board of directors of the Louisiana Economic Development Corporation and the secretary of the Department of Economic Development.

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PRESIDENT OF THE SENATE