

2022 Regular Session

HOUSE BILL NO. 724

BY REPRESENTATIVE BAGLEY

ECONOMIC DEVELOPMENT: Establishes a grant program for site development and improvement

1 AN ACT

2 To enact Chapter 15-B of Title 39 of the Revised Statutes of 1950, to be comprised of R.S.  
3 39:1481 through 1489, relative to economic development; to provide for intent; to  
4 provide for definitions; to provide for an economic development program; to create  
5 a special treasury fund for economic development; to provide for qualified  
6 expenditures; to provide form requirements; to provide for appropriation and  
7 allocation; to provide for procedure; to provide for cooperative endeavor agreements;  
8 to provide for application of law; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Chapter 15-B of Title 39 of the Revised Statutes of 1950, comprised of  
11 R.S. 39:1481 through 1489, is hereby enacted to read as follows:

12 CHAPTER 15-B. LOUISIANA COMPETES REGIONAL ECONOMIC

13 DEVELOPMENT PROGRAM

14 §1481. Legislative intent

15 The legislature recognizes the strong competition among states to attract new  
16 business and industry and to grow existing business and industry. It is further  
17 recognized that different regions of this state have different characteristics and  
18 attributes which are advantageous to specific sectors of the economy. As a result,  
19 these regions each have unique challenges and opportunities relative to economic  
20 development. The legislature believes that local citizens working through regional

1 economic development organizations are uniquely positioned to support the state's  
2 overall economic development efforts by identifying and directing how certain  
3 resources are best utilized to take advantage of a region's distinctive economic  
4 potential. It is the intent of the legislature to authorize and direct the execution of  
5 cooperative endeavor agreements, in accordance with this Chapter and R.S.  
6 33:9029.2, by and between the state and each of the eight regional economic  
7 development organizations where the state will provide economic support to the  
8 regional economic development organizations in exchange for the regional economic  
9 development organizations providing locally developed and tailored services directly  
10 related to attracting new business and industry and growing existing business and  
11 industry within their respective regions through the use of funds awarded through the  
12 Louisiana Competes Regional Economic Development Program, as provided for in  
13 this Chapter. The state desires to initially use eight million dollars of recognized  
14 state general fund surplus dollars to support locally developed and tailored economic  
15 development through the state's regional economic development organizations to be  
16 administered through the division of administration and the Department of Economic  
17 Development, as provided for in this Chapter. It is further the intent of the  
18 legislature to minimize red tape and grant regional economic development  
19 organizations the maximum flexibility to utilize grant funds in furtherance of the  
20 intent of this Section. The legislature finds and determines that the use of funds are  
21 in furtherance of a public purpose.

22 §1482. Definitions

23 For purposes of this Chapter, the following words have the following  
24 meanings:

25 (1) "Commissioner of administration" means the commissioner of the  
26 division of administration.

27 (2) "Louisiana Competes Fund" means the Louisiana Competes Regional  
28 Economic Development Fund.

29 (3) "Louisiana Competes Program" means the Louisiana Competes Regional

1 Economic Development Program.

2 (4) "Grant" means an award from the Louisiana Competes Economic  
3 Development Program to a regional economic development organization.

4 (5) "Qualified expenditure" shall having the meaning set forth in R.S.  
5 39:1485.

6 (6) "Regional economic development organization" means each of the  
7 following: Baton Rouge Area Chamber, Central Louisiana Economic Development  
8 Alliance, Greater New Orleans, Inc., Northeast Louisiana Economic Alliance, North  
9 Louisiana Economic Partnership, One Acadiana, South Louisiana Economic Council  
10 and Southwest Louisiana Economic Development Alliance.

11 (7) "Secretary" means the secretary of Department of Economic  
12 Development.

13 §1483. Louisiana Competes Regional Economic Development Program

14 There is hereby created the Louisiana Competes Regional Economic  
15 Development Program to be administered by the Department of Economic  
16 Development, to provide grants to regional economic development organizations  
17 pursuant to the Louisiana Competes Regional Economic Development Program as  
18 established in this Chapter.

19 §1484. Louisiana Competes Regional Economic Development Fund; appropriation;  
20 allocation

21 A. There is hereby created and established in the state treasury, a special  
22 fund titled the Louisiana Competes Regional Economic Development Fund.

23 B. Pursuant to legislative appropriation, the treasurer is hereby authorized  
24 and directed to deposit in and credit to the Louisiana Competes Fund eight million  
25 dollars. The monies in the Louisiana Competes Fund shall be invested in the same  
26 manner as monies in the state general fund. Interest earned on the investment of  
27 monies in the Louisiana Competes Fund shall be deposited in and credited to the  
28 Louisiana Competes Fund. Except as provided in this Chapter, unexpended and  
29 unencumbered monies in the Louisiana Competes Fund shall remain in the

1 Louisiana Competes Fund. Monies in the Louisiana Competes Fund shall be  
2 appropriated and used solely as provided for in this Chapter.

3 C. Each regional economic development organization shall be entitled to a  
4 grant in the amount of one million dollars from the initial eight million dollars  
5 allocated to the Louisiana Competes Program. Any future allocations to the  
6 Louisiana Competes Program shall be equally distributed to the regional economic  
7 development organizations.

8 §1485. Qualified expenditures

9 A. Regional economic development organizations shall only utilize grant  
10 funds to pay for qualified expenditures related to the furtherance of economic  
11 development within the region it represents. Qualified expenditures are limited to  
12 site development costs and economic development marketing of the region  
13 represented by the regional economic development organization.

14 B.(1) Site development costs include but are not limited to costs incurred for  
15 all of the following:

16 (a) Studies.

17 (b) Surveys.

18 (c) Development of plans and specifications.

19 (d) Entering into option agreements.

20 (e) Infrastructure improvements.

21 (f) Due diligence.

22 (g) Remediation.

23 (h) Wetland delineation.

24 (i) Professional services for architectural, engineering, legal, construction,  
25 and financial services related to site development.

26 (2) Economic development marketing costs include costs which are usual  
27 and customary in the economic development sector. The costs shall be tailored to  
28 the regional assets and attributes of the region represented by the regional economic  
29 development organization. Economic development marketing cost includes cost

1 incurred for any of the following:

2 (a) Print, digital, or video marketing.

3 (b) Preparation, development, or implementation of an economic  
4 development marketing plan.

5 (c) Competitive research.

6 (d) Expenses related to hosting professional site selectors or business  
7 prospects traveling to the region to explore or review possible sites.

8 C. Without limiting the provisions of Subsections A and B of this Section,  
9 a regional economic development organization shall not utilize any monies from the  
10 Louisiana Competes Fund for any of the following:

11 (1) Salaries, wages, or benefits.

12 (2) Travel expenses incurred by the regional economic development  
13 organization's officers, employees, or contractors.

14 (3) Alcohol.

15 (4) Land, buildings, offices, equipment, or vehicles used primarily for the  
16 administrative operations of the regional economic development organization.

17 §1486. Form requirements

18 A. The secretary shall develop a grant request form to be used by the  
19 regional economic development organizations to request grant funding. The  
20 secretary shall develop the form to solicit all of the following information and  
21 nothing further:

22 (1) The legal name and tax identification number of the regional economic  
23 development organization.

24 (2) The legal name and contact information of the person serving as chief  
25 executive of the regional economic development organization, or other such person  
26 authorized by the governing board of the regional economic development  
27 organization to act on its behalf and having the legal capacity to enter into binding  
28 agreements on behalf of the organization.

29 (3) The signature of the chief executive of the regional economic

1 development organization, or other such person authorized by the governing board  
2 of the regional economic development organization to act on its behalf. The  
3 signature certifies that the regional economic development organization has  
4 reviewed, understands, and will comply with the requirements contained in this  
5 Chapter.

6 (4) The date the form was signed.

7 §1487. Grant approval

8 Within five calendar days of receiving a completed grant request form as  
9 provided for in R.S. 39:1486, the secretary shall notify the commissioner that a grant  
10 is approved pursuant to this Chapter.

11 §1488. Cooperative endeavor agreement; term; public fund matching

12 A. Within thirty calendar days of grant approval, the regional economic  
13 development organization and the state shall enter into a cooperative endeavor  
14 agreement as provided for in R.S. 33:9029.2. The objectives and intent of each  
15 cooperative endeavor agreement shall be in conformity with the objectives and intent  
16 of this Chapter. Accordingly, the obligations of the regional economic development  
17 organization set forth in the cooperative endeavor agreement shall be limited to the  
18 following:

19 (1) Identifying high-priority sites for the purpose of attracting economic  
20 development projects.

21 (2) Developing high-priority sites for the purpose of attracting economic  
22 development projects.

23 (3) Marketing of the regional economic development organization's  
24 particular region for the purpose of attracting economic development projects.

25 (4) Developing and subsequently providing a report of all activities related  
26 to the objectives of the cooperative endeavor agreement undertaken in the previous  
27 year,

28 (5) Maintaining records and an accurate accounting of all expenditures.

29 (6) Adhering to state and federal non-discrimination laws.

1           (7) Adhering to the provisions of R.S 39:1602.1.

2           (8) Obtaining a ten percent local match as provided for in Subsection C of  
3           this Section.

4           B. The initial cooperative endeavor agreement with each regional economic  
5           development organization shall be for an initial term of two years and shall  
6           automatically renew for successive one-year periods until such time as all initial  
7           funds have been expended.

8           C. A regional economic development organization shall not expend any  
9           grant funds without simultaneously obtaining local matching funds equaling ten  
10          percent of the funds spent during any calendar year. Funds originating from any  
11          lawful source other than the state shall constitute local matching funds.

12          D. Within five business days of the execution of the cooperative endeavor  
13          agreement by the regional economic development organization and the  
14          commissioner, the commissioner shall notify the treasurer and the treasurer shall,  
15          within five business days, disburse the funds to the regional economic development  
16          organization.

17          §1489. Application of law

18          The provisions of this Chapter shall be liberally construed to accomplish the  
19          intent of this Chapter.

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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 724 Original

2022 Regular Session

Bagley

**Abstract:** Creates a grant program that provides economic development funding to each regional economic development organization in the state.

Proposed law provides a declaration of legislative intent relative to the policies addressed in proposed law.

Proposed law defines "commissioner of administration", "Louisiana Competes Fund", "Louisiana Competes Program", "grant", "qualified expenditure", "regional economic development organization", and "secretary".

Proposed law creates the La. Competes Regional Economic Development Program, hereinafter, "program", which is to be administered by the La. Dept of Economic Development. The program is to provide a \$1,000,000 grant to each of eight regional economic development organizations, hereinafter "organizations".

Proposed law creates the La. Competes Regional Economic Development Fund, hereinafter "fund", as a special fund in the state treasury.

Upon legislative appropriation, \$8,000,000 is to be directed and deposited into the fund, invested in the same way general fund monies are invested, with interest to be deposited back into the fund and unallocated monies to remain in the fund.

Proposed law requires \$1,000,000 of the original funds be allocated to each of the organizations and requires any future allocations to be equally distributed to each organization.

Under proposed law the monies disbursed to the organizations can only be used for "qualified expenditures", hereinafter "expenditures", related to the furtherance of economic development within the region it represents.

Proposed law provides for two categories of expenditure, site development and economic development, and provides examples of each. The two categories and examples provided under the proposed law are:

- (1) Site development costs:
  - (a) Studies
  - (b) Surveys
  - (c) Development of plans and specifications.
  - (d) Entering into option agreements.
  - (e) Infrastructure improvements.
  - (f) Due diligence.
  - (g) Remediation.
  - (h) Wetland deliniation.
  - (i) Certain professional services related to site development.
- (2) Economic development marketing:
  - (a) Print, digital, or video marketing.
  - (b) Preparation, development, or implementation of an economic development marketing plan.
  - (c) Competitive research.
  - (d) Expenses for hosting professional site selectors or business prospects traveling to the state to explore or review sites.



Proposed law prohibits organizations from using allocated monies for any of the following, to the extent the use does not conflict with the approved purposes:

- (1) Salaries, wages, benefits.
- (2) Travel expenses incurred by the organizations officers, employees, or contractors.
- (3) Alcohol.
- (4) Land, buildings, offices, equipment, or vehicles used primarily for the administrative operations of the organization.

Proposed law requires the secretary of economic development (secretary) to develop a grant request form to be used by the organizations to request funding. The form is to require the following information:

- (1) Legal name and tax ID number of the organization.
- (2) Legal name and contact information for the person authorized to act on behalf of the organization.
- (3) Signature of the person authorized to act on behalf of the organization.
- (4) Date of signature.

Proposed law requires the secretary to notify the commissioner of administration that a grant is approved pursuant to proposed law within 5 calendar days of receiving a completed grant request.

Within 30 calendar days of grant approval, proposed law requires the organization and the state to enter into a cooperative endeavor agreement as provided for in present law.

The cooperative endeavor agreement is to be in conformity with the intent and purpose of proposed law, and the organization's obligations pursuant to the agreement are to be limited to the following:

- (1) Identifying high-priority sites for the purpose of attracting economic development projects.
- (2) Developing high-priority sites for the purpose of attracting economic development projects.
- (3) Marketing of the regional economic development organization's particular region for the purpose of attracting economic development projects.
- (4) Developing and subsequently providing a report of all activities related to the objectives of the cooperative endeavor agreement undertaken in the previous year.
- (5) Maintaining records and an accurate accounting of all expenditures.
- (6) Adhering to state and federal non-discrimination laws.
- (7) Adhering to provisions of present law which prohibit discriminatory boycotts of Israel in state procurement.
- (8) Obtaining a 10% local match as provided for in proposed law.

Proposed law provides that the initial cooperative endeavor agreement is to be for an initial

period of 2 years and is to renew for successive year-long periods until all initial funds are expended.

Proposed law requires each organization to obtain local matching funds equaling 10% of the funds spent during any calendar year.

Proposed law requires the commissioner to notify the treasurer of execution of the cooperative endeavor agreement within 5 days of execution and then requires the treasurer to disburse the monies to the organization within 5 days of notification.

Proposed law is intended to be construed liberally in order to achieve the intent and purposed of proposed law.

(Adds R.S. 39:1481-1489)