
DIGEST

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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)