

2022 Regular Session

HOUSE BILL NO. 724

BY REPRESENTATIVES BAGLEY, COX, DAVIS, FISHER, FONTENOT, GOUDEAU,
HILFERTY, NEWELL, PRESSLY, ST. BLANC, AND THOMAS

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

10 Be it enacted by the Legislature of Louisiana:

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

13 CHAPTER 15-B. LOUISIANA COMPETES REGIONAL ECONOMIC
14 DEVELOPMENT PROGRAM

15 §1481. Legislative intent

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

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

23 §1482. Definitions

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

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

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

1 (3) "Louisiana Competes Program" means the Louisiana Competes Regional
2 Economic Development Program.

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

5 (5) "Qualified expenditure" shall having the meaning set forth in R.S.
6 39:1485.

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

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

14 §1483. Louisiana Competes Regional Economic Development Program

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

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

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

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

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

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

9 §1485. Qualified expenditures

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

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

17 (a) Studies.

18 (b) Surveys.

19 (c) Development of plans and specifications.

20 (d) Entering into option agreements.

21 (e) Infrastructure improvements.

22 (f) Due diligence.

23 (g) Remediation.

24 (h) Wetland delineation.

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

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

1 development organization. Economic development marketing cost includes cost
2 incurred for any of the following:

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

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

6 (c) Competitive research.

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

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

12 (1) Salaries, wages, or benefits.

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

15 (3) Alcohol.

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

18 §1486. Form requirements

19 The secretary shall develop a form to be used by the regional economic
20 development organizations to request grant funding. The secretary shall develop the
21 form to solicit all of the following information and 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.

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

7 (4) The date the form was signed.

8 §1487. Grant approval

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

12 §1488. Cooperative endeavor agreement; term; public fund matching

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

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

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

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

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

- 1 (5) Maintaining records and an accurate accounting of all expenditures.
- 2 (6) Adhering to state and federal non-discrimination laws.
- 3 (7) Adhering to the provisions of R.S 39:1602.1.
- 4 (8) Obtaining a ten percent local match as provided for in Subsection C of
- 5 this Section.

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

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

14 D.(1) After entering into a cooperative endeavor agreement pursuant to this
 15 Chapter, the commissioner shall notify the treasurer of such action within five
 16 business days of execution of the agreement.

17 (2) After receiving the notification required by Paragraph (1) of this
 18 Subsection, within five business days, the treasurer shall disburse the funds to the
 19 regional economic development organization.

20 §1489. Application of law

21 The provisions of this Chapter shall be liberally construed to accomplish the
 22 intent of this Chapter.

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)]

HB 724 Engrossed 2022 Regular Session Bagley

Abstract: Creates a grant program that provides economic development funding to eight regional economic development organizations in this 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.

Proposed law provides, that 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 marketing, 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 delineation.
 - (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 provided in proposed law:

- (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, hereinafter "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 five 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 two 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 five days of execution and then requires the treasurer to disburse the monies to the organization within five 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)

Summary of Amendments Adopted by House

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

1. Make technical changes.