

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.



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.