

GREEN SHEET REDIGEST

HB 1015

2022 Regular Session

Schexnayder

ECONOMIC DEVELOPMENT: Provides relative to financial incentives for events held in Louisiana

DIGEST

Present law creates the Major Events Incentive Program to provide funding for specific major events and provides definitions for "endorsing municipality", "endorsing parish", "event support contract", "local organizing committee", "qualified major event", and "site selection organization".

Proposed law retains present law.

Present law requires the Dept. of Economic Development (LED) to administer the program.

Proposed law moves administration of the program to the lieutenant governor, through the Dept. of Culture, Recreation and Tourism.

Proposed law allows grants to be used to pay or reimburse the endorsing parish, endorsing municipality, local organizing committee, official tourism commission, convention and visitors bureau, or official destination marketing organization for the cost of applying or bidding for selection as the site of the event and for the costs of planning for or conducting the event.

Present law requires approval of the commissioner of administration and the Joint Legislative Committee on the Budget (JLCB) prior to the execution of any contract with a local organizing committee, endorsing parish, or endorsing municipality for a qualified major event.

Proposed law repeals the approval of the commissioner of administration.

Proposed law requires the lieutenant governor to submit an economic analysis that has been approved by the Joint Legislative Committee on the Budget to the state treasurer and to include in such analysis: (1) the designated area impacted by the occurrence of the qualified major event, (2) the total incremental increase in sales and use receipts in the designated area, (3) the total incremental increase in excise tax receipts in the designated area, and (4) the amount equal to 50% of the total incremental increases of the sales and use receipts and excise tax receipts.

Proposed law requires an act of the legislature prior to the treasurer transferring 50% of both the total incremental sales and use receipts and the excise tax receipts from the general fund to the program fund, as directed by the Legislature, upon receipt of the economic analysis required pursuant to proposed law.

Proposed law requires the Lt. governor to submit a written report to JLCB and include in such report the entities that received grant funding for events in the prior fiscal year, the economic impact of the events, and the amount of incremental tax revenue transferred to the fund as required by proposed law by Sept. first of each year.

Present law creates the Major Events Incentive Program Subfund as a subfund of the Louisiana Mega-Project Development Fund.

Proposed law changes the subfund to a separate fund of the state treasury and renames it the Major Events Incentives Fund.

Proposed law creates the Events Incentive Program to provide grant funding to municipalities, parishes, official tourism commissions, convention and visitors bureaus, official destination marketing organizations, and nonprofit corporations hosting an event.

Proposed law requires the Lt. governor, through the Dept. of Culture, Recreation and Tourism, to administer the program.

Proposed law provides for eligibility criteria and required documentation for events to receive funding through the program.

Proposed law requires any application and documentation required by proposed law to be submitted no later than 180 days prior to the event to be considered.

Proposed law provides that an entity is eligible to receive up to 25% of the total cost incurred by the entity for the event, not to exceed \$250,000 per event.

Proposed law requires the Lt. governor to promulgate rules to administer the program and to use the emergency rulemaking process for the promulgation of the initial administrative rule.

Effective July 1, 2022.

(Amends R.S. 51:2365(D)(3) and (F)(2); Adds R.S. 51:1260 and 1261; Repeals R.S. 51:2365(F)(1)(d) and 2365.1)

Summary of Amendments Adopted by House

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

1. Remove LED from involvement with the program, including removal of references to LED throughout proposed law, and require the Lt. governor to provide an economic analysis to the state treasurer and include certain criteria in the analysis.
2. Require the treasurer to transfer 50% of the incremental increase in sales and use and excise tax receipts to be paid from the general fund to the program fund established in proposed law immediately upon receiving the economic analysis.
3. Require the Lt. governor to submit an annual report by Sept. first of each year which includes certain information regarding the program and to provide such report to JLCB.
4. Make nonprofit corporations eligible for funding through the program.
5. Require applications for funding be submitted by 180 days prior to the event.
6. Require the Lt. governor to promulgate rules for administration of the program and use of the emergency rulemaking process to promulgate initial rules.
7. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Include official tourism commissions, convention and visitors bureaus, and official destination marketing organizations as eligible grant recipients for the Major Events Incentive Program and the Events Incentive Program.
2. Change one of the qualifying criteria for a site selection committee to select a site in La. for an major qualified event.

3. Add required documentation for entities applying for the Events Incentive Program.
4. Increase the economic impact for an event to be eligible for the Events Incentive Program from \$250,000 to \$350,000.
5. Add language to transfer remaining funds from the Major Events Incentive Subfund to the Major Events Incentive Fund and contracts entered into with LED for the Major Events Incentive Program to the Lt. governor.
6. Add an effective date of July 1, 2022.
7. Make technical changes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the reengrossed bill

1. Require approval by the Joint Legislative Committee on the Budget for all contracts entered into by the Lt. Governor to solicit a qualified major event.
2. Require all monies in the Major Events Incentive Fund and the Events Incentive Fund to be subject to an appropriation.
3. Require approval by the Joint Legislative Committee on the Budget for all economic analyses submitted to the treasurer.
4. Require an act of the legislature prior to the treasurer transferring state general funds.