LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 724** HLS 22RS 531
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 6, 2022 1:45 PM
Author: BAGLEY
Dept./Agy.: Department of Economic Development
Subject: LA Competes Regional Economic Development Program
Analyst: Monique Appeaning

ECONOMIC DEVELOPMENT EN -$8,000,000 GF RV See Note
Establishes a grant program for site development and improvement

Proposed law creates the Louisiana Competes Regional Economic Development (LCRED) Program and provides for legislative intent of the program. Proposed law provides for the LCRED Program to be administered by the Department of Economic Development (LED) to provide grants to regional economic development organizations pursuant to the LCRED Program as established in proposed law. Proposed law provides for definitions. Proposed law provides that each regional economic development organization shall receive an initial grant in the amount of one-eighth of the initial funds appropriated in accordance with the provisions of proposed law. Each regional economic development organization shall receive all subsequent grants in the amount of one-eighth of the annual funds appropriated or otherwise generated in accordance with the provisions of proposed law. Proposed law explains qualified expenditures are limited to site development costs and for publicly owned property or other property to the extent allowable under present law. Proposed law prohibits the use of monies from the fund such expenditures as salaries, wages or benefits, travel expenses, alcohol, or land, buildings, offices, equipment, or vehicles for certain use. Proposed law authorizes certain cooperative endeavor agreements and provides specific guidance on the execution for them after the adoption of administrative rules promulgated for the implementation of proposed law.

EXPENDITURES	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**5 -YEAR TOTAL**
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$800,000	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	**$800,000**
Annual Total						

REVENUES	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**5 -YEAR TOTAL**
State Gen. Fd.	($8,000,000)	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	**($8,000,000)**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**($8,000,000)**					**($8,000,000)**

EXPENDITURE EXPLANATION

Proposed law may result in a workload impact to LED to administer the program; however, the agency reports that it anticipates that existing resources should be sufficient. NOTE: No recurring revenue source is identified to implement the program after FY 23.

This fiscal note assumes all grants are applied for and expended in FY 23 or FY 24, but proposed law does not stipulate a deadline for expending funds and therefore appropriations and/or expenditures against any original deposit (and any corresponding local match) may extend into the out years depending on grant activity.

Proposed law may result in an indeterminable increase in expenditures for local governing authorities for the local match requirements after FY 23.

NOTE: Assuming House Bill 592 of the 2022 Regular Session of the Legislature that provides $8 M in SGF becomes law, there is an $800,000 match requirement based on provisions in proposed law.

REVENUE EXPLANATION

House Bill 592 of the 2022 Regular Session of the Legislature provides $8 M in SGF in the event this bill becomes law.

Senate Dual Referral Rules

[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}

[ ] 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}

House

[x] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}

[ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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