

ACT No. 556

2022 Regular Session

HOUSE BILL NO. 724

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

1 AN ACT

2 To enact Chapter 15-B of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950,
3 to be comprised of R.S. 39:1481 through 1485, relative to economic development;
4 to provide for intent; to provide for definitions; to provide for an economic
5 development program; to provide for qualified expenditures; to provide relative to
6 the powers and duties of the Department of Economic Development; to provide
7 relative to the promulgation of administrative rules; to provide for procedure; to
8 provide for cooperative endeavor agreements; to provide for application of law; and
9 to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Chapter 15-B of Subtitle III of Title 39 of the Louisiana Revised Statutes
12 of 1950, comprised of R.S. 39:1481 through 1485, 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
21 development. The legislature believes that local citizens working through regional

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

17 §1482. Definitions

18 For purposes of this Chapter, the following words have the following
 19 meanings:

20 (1) "Louisiana Competes Program" means the Louisiana Competes Regional
 21 Economic Development Program.

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

24 (3) "Qualified expenditure" shall having the meaning set forth in R.S.
 25 39:1484.

26 (4) "Regional economic development organization" means any of the
 27 following: the Baton Rouge Area Chamber, or its successor; the Central Louisiana
 28 Economic Development Alliance, or its successor; Greater New Orleans, Inc., or its
 29 successor; the Northeast Louisiana Economic Alliance, or its successor; the North
 30 Louisiana Economic Partnership, or its successor; One Acadiana, or its successor;

1 the South Central Planning and Development Commission, or its successor; or the
 2 Southwest Louisiana Economic Development Alliance, or its successor.

3 (5) "Secretary" means the secretary of the Department of Economic
 4 Development.

5 §1483. Louisiana Competes Regional Economic Development Program

6 A. There is hereby created the Louisiana Competes Regional Economic
 7 Development Program to be administered by the Department of Economic
 8 Development, to provide grants to regional economic development organizations
 9 pursuant to the Louisiana Competes Regional Economic Development Program as
 10 established in this Chapter.

11 B. Each regional economic development organization shall receive an initial
 12 grant in the amount of one-eighth of the initial funds appropriated in accordance with
 13 the provisions of this Chapter. Each regional economic development organization
 14 shall receive all subsequent grants in the amount of one-eighth of the annual funds
 15 appropriated or otherwise generated in accordance with the provisions of this
 16 Chapter.

17 C. The secretary shall promulgate administrative rules in accordance with
 18 the Administrative Procedure Act to implement the provisions of this Chapter. The
 19 rules shall be promulgated in consultation with the eight regional economic
 20 development organizations and the Louisiana Chamber of Commerce Foundation.

21 §1484. Qualified expenditures

22 A. A regional economic development organization shall only utilize grant
 23 funds to pay for qualified expenditures related to the furtherance of economic
 24 development within the region it represents. Qualified expenditures are limited to
 25 site development costs for publicly owned property or other property to the extent
 26 allowable under Article VII, Section 14 of the Constitution of Louisiana and other
 27 applicable state law.

28 B. Site development costs include but are not limited to costs incurred for
 29 the following:

30 (1) Studies.

- 1 (2) Surveys.
- 2 (3) Development of plans and specifications.
- 3 (4) Entering into option agreements.
- 4 (5) Infrastructure improvements.
- 5 (6) Due diligence.
- 6 (7) Remediation.
- 7 (8) Wetland delineation.
- 8 (9) Professional services for architectural, engineering, legal, construction,
- 9 and financial services related to site development.

10 C. Without limiting the provisions of Subsections A and B of this Section,
 11 a regional economic development organization shall not utilize any monies awarded
 12 pursuant to the provisions of this Chapter for any of the following:

- 13 (1) Salaries, wages, or benefits.
- 14 (2) Travel expenses incurred by the regional economic development
- 15 organization's officers, employees, or contractors.
- 16 (3) Alcohol.
- 17 (4) Land, buildings, offices, equipment, or vehicles used primarily for the
- 18 administrative operations of the regional economic development organization.

19 §1485. Cooperative endeavor agreement; term; public fund matching

20 A. Within thirty calendar days after adoption of administrative rules
 21 promulgated for the implementation of this Chapter, the regional economic
 22 development organization and the state shall enter into a cooperative endeavor
 23 agreement as provided for in R.S. 33:9029.2. The objectives and intent of each
 24 cooperative endeavor agreement shall be in conformity with the objectives and intent
 25 of this Chapter. Accordingly, the obligations of the regional economic development
 26 organization set forth in the cooperative endeavor agreement shall be limited to the
 27 following:

- 28 (1) Identifying high-priority sites for the purpose of attracting economic
- 29 development projects.
- 30 (2) Developing high-priority sites for the purpose of attracting economic
- 31 development projects.

1 (3) Developing and subsequently providing an annual report of all activities
2 related to the objectives of the cooperative endeavor agreement undertaken in the
3 previous year.

4 (4) Maintaining records and an accurate accounting of all expenditures.

5 (5) Adhering to state and federal non-discrimination laws.

6 (6) Adhering to the provisions of R.S 39:1602.1.

7 (7) Applying a ten percent local match as provided for in Subsection C of
8 this Section.

9 B. The initial cooperative endeavor agreement with each regional economic
10 development organization shall have an initial term of two years. Thereafter the
11 initial cooperative endeavor agreement with a regional economic development
12 organization shall automatically renew for successive one-year periods until such
13 time as all initial funds provided in the agreement have been expended.

14 C. A regional economic development organization shall not expend any
15 grant funds without simultaneously applying local matching funds equaling ten
16 percent of the cost being paid. Funds originating from any lawful source other than
17 the state shall constitute local matching funds.

18 Section 2. This Act shall become effective upon signature by the governor
19 or, if not signed by the governor, upon expiration of the time for bills to become law
20 without signature by the governor, as provided by Article III, Section 18 of the
21 Constitution of Louisiana. If vetoed by the governor and subsequently approved by
22 the legislature, this Act shall become effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____