

RÉSUMÉ DIGEST

ACT 556 (HB 724)

2022 Regular Session

Bagley

New law creates the La. Competes Regional Economic Development Program (program), which is to be administered by the La. Dept of Economic Development. The program is to provide grant funding to each of eight regional economic development organizations, hereinafter "organizations".

New law defines the terms "Louisiana Competes Program", "grant", "qualified expenditure", "regional economic development organization", and "secretary".

New law requires one-eighth of the initial appropriation in accordance with new law and any subsequent appropriation to be allocated to each of the organizations.

New law requires that administrative rules be promulgated in accordance with the APA and in consultation with the eight organizations and the La. Chamber of Commerce Foundation.

New law restricts an organization's use of grant monies awarded pursuant to new law to qualified expenditures related to the furtherance of economic development within the region it represents.

New law provides that qualified expenditures are limited to site development and provides nonexclusive examples such as the following:

- (1) Studies.
- (2) Surveys.
- (3) Development of plans and specifications.
- (4) Entering into option agreements.
- (5) Infrastructure improvements.
- (6) Due diligence.
- (7) Remediation.
- (8) Wetland delineation.
- (9) Certain professional services related to site development.

New law prohibits an organization from using grant monies for any of the following, to the extent the prohibited use does not conflict with the qualified expenditures provided for in new law:

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

Within 30 calendar days of the promulgation of administrative rules, new law requires the organization and the state to enter into a cooperative endeavor agreement as provided for in existing law (R.S. 33:9029.2).

New law requires the cooperative endeavor agreement to be in conformity with the intent and purpose of new law, and the organization's obligations pursuant to the agreement 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) Developing and subsequently providing a report of all activities related to the objectives of the cooperative endeavor agreement undertaken in the previous year.
- (4) Maintaining records and an accurate accounting of all expenditures.
- (5) Adhering to state and federal nondiscrimination laws.
- (6) Adhering to provisions of existing law which prohibit discriminatory boycotts of Israel in state procurement.
- (7) Applying a 10% local match as provided for in new law.

New law provides that the initial cooperative endeavor agreement is for an initial period of 2 years. Further provides that the initial agreement will automatically renew for successive 1-year periods until all initial funds provided by the agreement are expended.

New law requires each organization to apply local matching funds equaling 10% of the cost being paid. Provides that funds originating from any lawful, non-state source constitute local matching funds.

Effective upon signature of governor (June 17, 2022).

(Adds R.S. 39:1481-1485)