

2023 Regular Session

HOUSE BILL NO. 585

BY REPRESENTATIVE ECHOLS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ECONOMIC DEVELOPMENT: Provides relative to economic development

1 AN ACT

2 To enact Chapter 39-D of Title 51 of the Louisiana Revised Statutes of 1950, to be
3 comprised of R.S. 51:2400.1 through 2400.10, relative to creating a council focused
4 on economic development goals; to provide for purpose; to provide for definitions;
5 to provide for the creation of the Council of Economic Prosperity; to provide for
6 composition of the council; to provide for council officers; to provide for the creation
7 of the State Plan for Economic Development; to provide for an annual action plan;
8 to provide for council powers; to provide for the implementation of a master plan and
9 action plans; to provide for the creation of the Advisory Commission on Economic
10 Development; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Chapter 39-D of Title 51 of the Louisiana Revised Statutes of 1950,
13 comprised of R.S. 51:2400.1 through 2400.10, is hereby enacted to read as follows:

14 CHAPTER 39-D. COUNCIL FOR ECONOMIC PROSPERITY

15 §2400.1. Purpose

16 The purpose of this Chapter is to ensure that the state engages in
17 comprehensive strategic planning for economic development. This planning should
18 incorporate both long-term vision and short-term operational objectives, fully
19 integrate all state and private sector development entities and programs, and produce
20 a clearly articulated state philosophy on economic development. The strategic plan

1 shall include a set of measurable objectives for the progressive development of the
2 state's economy, business environment, infrastructure, educational systems, human
3 resources, and tax structures, with the goal of steady and predictable economic
4 growth, full employment for all workers, and a responsive state government
5 delivering needed services to our citizens in an efficient and cost-effective way.

6 §2400.2. Definitions

7 As used in this Chapter, notwithstanding any laws to the contrary, the
8 following terms have the following meanings ascribed to them:

9 (1) "Accountability" means the method used to measure results.

10 (2) "Action plans" means the detailed descriptions of how strategies will be
11 implemented on an operational basis.

12 (3) "Bench marking" means the process of rating the state's practices,
13 priorities, and products against the best.

14 (4) "Goals" mean the general end purposes toward which effort is directed.

15 (5) "Mission" means a broad comprehensive statement of the organization's
16 purpose.

17 (6) "Objectives" mean specific and measurable targets for accomplishments.

18 (7) "Philosophy" means the organization's core values, describing how the
19 organization conducts itself carrying out its mission.

20 (8) "Strategies" mean the methods used to accomplish goals and objectives.

21 (9) "Vision" means a compelling conceptual image of the desired future.

22 §2400.3. Council for Economic Prosperity; creation; scope

23 The Council for Economic Prosperity is hereby created and shall be
24 responsible for directing the economic development policymaking and strategic
25 economic development planning of the state. The council shall formulate a
26 comprehensive strategic plan for economic development in this state to be known as
27 the State Plan for Economic Development, and shall work in concert with the
28 Advisory Commission on Economic Development to provide direction and

1 coordination for the implementation of all state measures required or generated by
2 the goals and objectives adopted in the plan.

3 §2400.4. Composition of council; terms; compensation

4 A. The council shall be comprised of seventeen members including the
5 governor and the secretary of economic development. Appointment of members
6 shall begin upon the commencement of the 2024 Regular Session.

7 B. Eleven members shall be appointed by the governor, two members shall
8 be appointed by the president of the Senate, two members shall be appointed by the
9 speaker of the House of Representatives, and shall be subject to Senate confirmation.

10 All members appointed to the council shall serve a four-year term. All gubernatorial
11 appointments shall continue to serve until a successor is appointed.

12 (1) The governor shall appoint members, with inclusion of at least one
13 member from north Louisiana and one member from south Louisiana, as follows:

14 (a) A representative of the venture capital or investment banking community.

15 (b) A representative from the higher education community.

16 (c) A representative from local government.

17 (d) A representative of the agricultural community.

18 (e) A representative of the professional or service community.

19 (f) A representative of the mining industry.

20 (g) A representative of the banking community.

21 (h) A representative of the construction industry.

22 (i) Three manufacturers from three different Standard Industrial
23 Classification Codes.

24 (2) The president of the Senate shall appoint members as follows:

25 (a) One economic development professional from an urban area.

26 (b) One economic development professional from a rural area.

27 (3) The speaker of the House of Representatives shall appoint members as
28 follows:

29 (a) One economic development professional from an urban area.

1 (b) One economic development professional from a rural area.

2 C.(1) Each member appointed to the council or serving ex officio pursuant
3 to this Section may designate another person to represent him on committee work
4 assigned by the council, but may not be represented by another person for meetings
5 of the full council, nor shall any designee be permitted to vote on final adoption of
6 the master plan.

7 (2) A member serving on more than one committee may designate different
8 individuals to represent him on different committees, if each such designee has
9 expertise in the subject matter committee for which he is designated.

10 (3) A member of the executive committee may not designate a representative
11 for participation on the executive committee.

12 (4) The chairman may designate a representative for any meeting, duty, or
13 responsibility pursuant to his membership on the council, except, notwithstanding
14 any provision of law to the contrary, the governor shall not designate a representative
15 to chair the full council meeting at which final adoption of the master plan is
16 considered and voted upon. The governor shall personally preside over such a
17 meeting.

18 §2400.5. Council officers; quorum; compensation; meetings

19 A.(1)(a) The secretary of the Department of Economic Development shall
20 serve as chairman of the council.

21 (b) The vice chairman shall be elected by the council from among those
22 members.

23 (2) The secretary of the Department of Economic Development shall
24 coordinate and supervise all staff work, including the work of staff on loan or
25 assignment from other agencies of government or the private sector, at the direction
26 of the executive committee of the council.

27 B. Nine members of the council shall constitute a quorum.

1 C. Members of the council shall serve without compensation, but each
2 member shall be entitled to reimbursement of actual and necessary expenses incurred
3 in the performance of official duties in accordance with state travel regulations.

4 D.(1) The full council shall meet quarterly, but shall have authority to meet
5 at such other times as deemed necessary by either the governor, the executive
6 committee, or a majority of the members.

7 (2) Only one of the mandatory quarterly meetings shall take place in Baton
8 Rouge. The other three meeting places will be determined by the chairman of the
9 council.

10 §2400.6. State Plan for Economic Development; plan components; submission;
11 adoption

12 A. The Council for Economic Prosperity shall formulate and establish the
13 state's economic development policy and coordinate and ensure its implementation
14 through the Department of Economic Development, the office of the governor, and
15 the division of administration.

16 B. The council shall formulate the State Plan for Economic Development
17 herein referred to as the "state plan", which shall include, at a minimum, all of the
18 following:

19 (1) The vision, mission, and philosophy of the state in achieving economic
20 prosperity, a robust business climate, and high quality employment opportunities for
21 all citizens.

22 (2) An economic model for this state for a twenty-year period, divided into
23 five-year incremental planning and bench marking periods.

24 (3) An analysis of the current global, hemispheric, and national economies,
25 their impact on the economy of this state, and the nature of the competitive
26 environment within which the state work force and business community must
27 compete.

28 (4) An analysis of broad trends of economic change on the national and
29 regional levels in the United States.

1 (5) A comprehensive needs assessment and baseline analysis of the state's
2 infrastructure, business climate, transportation network, economic policy,
3 educational systems, natural resources, rural development, economic mix, tax
4 structures, revenue stream, industrial inducements and incentives, and manufacturing
5 base. This analysis shall also assess the state's strengths and weaknesses relative to
6 the external economic environment.

7 (6) An analysis of the sustainability of the current state's economy over time.
8 A twenty-year state plan, divided into five-year increments, with goals and
9 objectives designed to attain an effective diversified economic mix of business and
10 industry which would ensure economic prosperity, full employment, resistance to
11 recession, and consistent growth consonant with national and global trends.

12 (7) Broad strategies, which when implemented, will permit the state to fulfill
13 goals and objectives of the economic vision set forth in the state plan. In
14 consultation with the cabinet advisory group, the council shall submit an outline of
15 how the overall master state plan and five-year objectives will be implemented
16 through the submission of an annual Economic Development Action Plan herein
17 referred to as the "action plan". The action plan shall include strategies and action
18 plans developed by the various departments and approved by the governor.

19 (8) A comprehensive bench marking and accountability program to measure
20 the performance of the state's economy and work force and measure the effectiveness
21 of and progress toward achieving the objectives of each strategy and action plan.

22 C. The council or the executive committee shall hold at least two public
23 hearings for the specific purpose of gathering the testimony of the general public on
24 the master state plan, in order to allow citizens to have input prior to submission of
25 the state plan to the legislature for approval.

26 D.(1) The council shall adopt the final plan by a majority vote of the total
27 council membership and shall submit the plan to the legislature for approval or
28 rejection.

1 (2) The plan shall be submitted to the governor, the president of the Senate,
2 the speaker of the House of Representatives, the chairman of the Senate Committee
3 on Commerce, Consumer Protection, and International Affairs, and the chairman of
4 the House Committee on Commerce no later than July 1, 2024.

5 (3)(a) The legislature shall, by majority vote of the membership of each
6 house, adopt a concurrent resolution to accept, reject, or return the master plan to the
7 council for revision.

8 (b) Any rejected or revised plan which is resubmitted when the legislature
9 is not in session, or is in session but is constitutionally prohibited from considering
10 a resolution of adoption, may be adopted by a majority vote of the House of
11 Representatives and of the Senate through a written ballot procedure.

12 E. The state plan shall be updated and resubmitted every five years,
13 commencing with the July 1, 2024, initial submission. The reformulation and
14 updating of the master state plan every five years shall incorporate a new twenty-
15 year time frame, also divided into five-year components.

16 §2400.7. Annual action plan

17 A. On the first of July of each year following submission of the original state
18 master plan, the council shall submit an annual report and the action plan to the
19 governor, the president of the Senate, the speaker of the House of Representatives,
20 the chairman of the Senate Committee on Commerce, Consumer Protection, and
21 International Affairs, and the chairman of the House Committee on Commerce.

22 B. The annual action plan shall include, at the minimum, all of the following:

23 (1) A report of council work, deliberations, and actions during the prior year.

24 (2) A comprehensive program of recommended strategies and action plans
25 for implementation in the next state fiscal year, including but not limited to
26 budgetary, legislative, regulatory, program, and private sector initiatives. Each
27 strategy and action plan shall have measurable goals and objectives which are fully
28 integrated into the master plan bench marking and accountability model.

1 (3) An overview of the bench marking and accountability program and
2 presentation of the results obtained during the prior year. An analysis of the
3 strengths and weaknesses of all initiatives, operational strategies, and action plans
4 implemented in the prior year.

5 (4) An explanation of why any strategies or initiatives were not implemented
6 or failed, and recommendations on how to achieve their successful implementation.

7 (5) An analysis of changes and trends in the external economic environment.

8 §2400.8. Additional council powers and duties; executive committee,
9 subcommittees

10 A. The council shall, consistent with the state plan, establish guidelines by
11 which all economic development funding, awards, grants, incentives, and guarantees
12 are prioritized, whether such issue from the office of the secretary, any other office
13 of the department, or through any program of the Louisiana Economic Development
14 Corporation.

15 B.(1) The council shall establish a seven-member executive committee, to
16 be chaired by the vice chairman of the council, which shall have authority to call
17 meetings of the council, establish committee schedules, direct the work of staff on
18 loan or assignment, meet with the governor and the Advisory Commission on
19 Economic Development, and represent the council before the legislature.

20 (2) The executive committee shall have authority to divide the work of the
21 council into discrete areas and to establish and appoint subcommittees as follows:

22 (a) Infrastructure.

23 (b) Education and work force training.

24 (c) Taxation and state revenue.

25 (d) Finance and capital.

26 (e) Economic development programs and incentives.

27 (f) Economic modeling and diversification.

28 (g) Rural development.

29 (h) Any other committees deemed appropriate.

1 (3)(a) The executive committee shall meet at least once quarterly with the
2 Advisory Commission on Economic Development to exchange information and
3 facilitate implementation strategies.

4 (b) The executive committee may request assignment of one staff member
5 from each agency represented on the advisory group for utilization on an ad hoc
6 basis with the council or a subcommittee of the council.

7 C. The council shall have authority to promulgate all rules, regulations, and
8 procedures, and to hold hearings, as it deems necessary and appropriate to its
9 responsibilities and charge, pursuant to the Administrative Procedure Act.

10 §2400.9. Implementation of master plan and action plans

11 A. The governor shall direct all appropriate agency heads to implement all
12 budgetary, regulatory, and programmatic strategies and actions recommended in the
13 state plan and in each annual action plan, subject to constitutional restrictions.

14 B. The commissioner of administration shall implement, as directed by the
15 governor, all budgetary and programmatic strategies and actions recommended in
16 each annual action plan and shall require their inclusion by any impacted department
17 in all appropriate budget, program, and planning documents. All such strategies and
18 actions having budgetary or programmatic impact shall be included in the
19 preparation and submission of the executive budget to the legislature.

20 §2400.10. Advisory Commission on Economic Development

21 A. The Advisory Commission on Economic Development, herein referred
22 to as the "advisory commission", shall be comprised of the following ex officio
23 members:

24 (1) Lieutenant governor or his designee.

25 (2) Secretary of the Department of Economic Development or his designee.

26 (3) Commissioner of the division of administration or his designee.

27 (4) Secretary of the Department of Transportation and Development or his
28 designee.

29 (5) Secretary of the Louisiana Workforce Commission or his designee.

1 (6) Secretary of the Department of Natural Resources or his designee.

2 (7) Secretary of the Department of Environmental Quality or his designee.

3 (8) Superintendent of education or his designee.

4 (9) State treasurer or his designee.

5 (10) Commissioner of the Department of Agriculture and Forestry or his
6 designee.

7 (11) Secretary of the Department of Children and Family Services or his
8 designee.

9 B.(1) The advisory commission shall advise, coordinate with, and provide
10 research, informational, and staff support to the Council for Economic Prosperity
11 upon the request of the council or executive committee.

12 (2) The commissioner of administration shall assign a staff member with
13 expertise in strategic planning to the advisory group.

14 (3) The secretary of the Department of Economic Development shall assign
15 a staff member with expertise in strategic planning who is part of the master state
16 plan staff team to the advisory group, and shall act as administrator of the advisory
17 commission.

18 C. The advisory commission shall meet quarterly with the executive
19 committee of the council to exchange information and facilitate implementation of
20 the master state plan and annual action plans.

21 D. Each member of the advisory commission shall, as directed by the
22 governor order, direct the implementation of the policies, directives, and components
23 of the state plan and any budgetary, legislative, regulatory, or program initiative
24 contained in an action plan which would affect or require the action of the agency
25 of his responsibility and charge.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 585 Original

2023 Regular Session

Echols

Abstract: Creates a council focused on economic development goals.

Proposed law provides for purpose.

Proposed law defines "accountability", "action plans", "bench marking", "goals", "mission", "objectives", "philosophy", "strategies", and "vision".

Proposed law creates the Council for Economic Prosperity.

Proposed law requires the council to consist of 17 members and that members be appointed starting the commencement of the 2024 Regular Session. The governor shall appoint 8 members, the Senate president shall appoint two members, and the speaker of the House shall appoint two members. Other members shall include the governor and the secretary of the LED. Council members may designate another person to represent him for work assigned by the council but not for meetings or voting.

Proposed law requires that members of the executive committee may not designate a representative for participation on the executive committee. The chairman may designate a representative for any meeting, duty, or responsibility pursuant to his membership on the council, except, notwithstanding any provision of law to the contrary, the chairman shall not designate a representative to chair the full council meeting at which final adoption of the master plan is considered and voted upon. The chairman shall preside over such a meeting.

Proposed law requires that the vice chair of the council be elected from the councils members. Quorum for the council shall be 9 members. Members shall be compensated for actual and necessary expenses incurred in the performance of official duties in accordance with state travel regulations.

Proposed law requires that the full council shall meet quarterly, but shall have authority to meet at times deemed necessary by either the chairman, the executive committee, or a majority of the members. Only one of the mandatory quarterly meetings shall take place in Baton Rouge. The other three meeting places will be determined by the chairman of the council.

Proposed law creates the State Plan for Economic Development.

Proposed law requires that the Council for Economic Prosperity shall formulate and establish the state's economic development policy and coordinate and ensure its implementation through the Department of Economic Development, the office of the governor, and the division of administration. The council shall formulate the State Plan for Economic Development which shall include among other elements:

- (1) The vision, mission, and philosophy of the state in achieving economic prosperity, a robust business climate, and high quality employment opportunities for all La. citizens.
- (2) An economic model for La. for a twenty-year period, divided into five-year incremental planning and bench marking periods.

- (3) An analysis of the current global, hemispheric, and national economies, their impact on the economy of Louisiana, and the nature of the competitive environment within which the Louisiana work force and business community must compete.
- (4) An analysis of broad trends of economic change on the national and regional levels in the United States.
- (5) A comprehensive needs assessment and baseline analysis of the Louisiana infrastructure, business climate, transportation network, economic policy, educational systems, natural resources, rural development, economic mix, tax structures, revenue stream, industrial inducements and incentives, and manufacturing base. This analysis shall also assess Louisiana strengths and weaknesses relative to the external economic environment.
- (6) An analysis of the sustainability of the current Louisiana economy over time. A twenty-year plan, divided into five-year increments, with goals and objectives designed to attain an effective diversified economic mix of business and industry which would ensure economic prosperity, full employment, resistance to recession, and consistent growth consonant with national and global trends.
- (7) Broad strategies, which when implemented, will permit the state to fulfill goals and objectives of the economic vision set forth in the plan. In consultation with the cabinet advisory group, the council will also submit an outline of how the overall master plan and five-year objectives will be implemented through the submission of an annual Economic Development Action Plan. The action plan shall include strategies and action plans developed by the various departments and approved by the governor.
- (8) A comprehensive bench marking and accountability program to measure the performance of the Louisiana economy and work force and measure the effectiveness of and progress toward achieving the objectives of each strategy and action plan.

Proposed law requires that the council or the executive committee shall hold at least two public hearings for the specific purpose of gathering the testimony of the general public on the master plan, in order that more private citizens have input prior to submission of the plan to the legislature for approval.

Proposed law requires that the council shall adopt the final plan by a majority vote of the total council membership and shall submit the plan to the legislature for approval or rejection. The plan shall be submitted to the governor, the president of the Senate, the speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, Consumer Protection, and International Affairs, and the chairman of the House Committee on Commerce no later than July 1, 2024. The legislature shall, by majority vote of the membership of each house, adopt a concurrent resolution to accept, reject, or return the master plan to the council for revision. Any rejected or revised plan which is resubmitted when the legislature is not in session, or is in session but is constitutionally prohibited from considering a resolution of adoption, may be adopted by a majority vote of the House of Representatives and of the Senate through a written ballot procedure.

Proposed law requires that the State Plan for Economic Development shall be updated and resubmitted every five years, commencing with the July 1, 2024, initial submission. The reformulation and updating of the master plan every five years shall incorporate a new twenty-year time frame, also divided into five-year components.

Proposed law creates an annual action plan. On the first of July of each year following submission of the original master plan, the council shall submit an annual report and plan to be known as the Economic Development Action Plan to the governor, the president of the

Senate, the speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, Consumer Protection, and International Affairs, and the chairman of the House Committee on Commerce.

Proposed law requires that the annual action plan shall include the following, among other elements:

- (1) A report of council work, deliberations, and actions during the prior year.
- (2) A comprehensive program of recommended strategies and action plans for implementation in the next state fiscal year, including budgetary, legislative, regulatory, program, and private sector initiatives. Each strategy and action plan shall have measurable goals and objectives which are fully integrated into the master plan bench marking and accountability model.
- (3) An overview of the bench marking and accountability program and presentation of the results obtained during the prior year. An analysis of the strengths and weaknesses of all initiatives, operational strategies, and action plans implemented in the prior year.
- (4) An explanation of why any strategies or initiatives were not implemented or failed, and recommendations on how to achieve their successful implementation.
- (5) An analysis of changes and trends in the external economic environment.

Proposed law requires that the council shall establish guidelines by which all economic development funding, awards, grants, incentives, and guarantees are prioritized, whether such issue from the office of the secretary, any other office of the department, or through any program of the Louisiana Economic Development Corporation.

Proposed law requires that the council shall establish a seven-member executive committee, to be chaired by the vice chairman of the council, which shall have authority to call meetings of the council, establish committee schedules, direct the work of staff on loan or assignment, meet with the governor and the Advisory Commission on Economic Development, and represent the council before the legislature.

Proposed law states that the executive committee shall have authority to divide the work of the council into discrete areas and to establish and appoint subcommittee.

Proposed law requires that the executive committee shall meet at least once quarterly with the Advisory Commission on Economic Development to exchange information and facilitate implementation strategies. The executive committee may request assignment of one staff member from each agency represented on the advisory group for utilization on an ad hoc basis with the council or a subcommittee of the council.

Proposed law provides that the council shall have authority to promulgate all rules, regulations, and procedures, and to hold hearings, as it deems necessary and appropriate to its responsibilities and charge, pursuant to the Administrative Procedure Act.

Proposed law requires that the governor shall direct all appropriate agency heads to implement all budgetary, regulatory, and programmatic strategies and actions recommended in the State Plan for Economic Development and in each annual Economic Development Action Plan, subject to constitutional restrictions.

Proposed law requires that the commissioner of administration shall implement all budgetary and programmatic strategies and actions recommended in each annual action plan and shall require their inclusion by any impacted department in all appropriate budget, program, and

planning documents. Actions having budgetary or programmatic impact shall be included in the preparation and submission of the executive budget to the legislature.

Proposed law creates the Advisory Commission on Economic Development.

Proposed law requires that the Advisory Commission on Economic Development shall be comprised of the lieutenant governor or his designee the secretary of the Department of Economic Development, the commissioner of the division of administration the secretary of the Department of Transportation and Development the secretary of the Workforce Commission, the secretary of the Department of Natural Resources, the secretary of the Department of Environmental Quality, the superintendent of education, the state treasurer or his designee, the commissioner of the Department of Agriculture and Forestry, and the secretary of the Department of Children and Family Services.

Proposed law requires that the advisory group shall advise, coordinate with, and provide research, informational, and staff support to the Council for Economic Prosperity upon the request of the council or executive committee. The commissioner of administration shall assign a staff member with expertise in strategic planning to the advisory group. The secretary of the Department of Economic Development shall assign a staff member with expertise in strategic planning who is part of the master plan staff team to the advisory group, and shall act as administrator of the Advisory Commission on Economic Development.

Proposed law requires that the advisory commission shall meet quarterly with the executive committee of the council to exchange information and facilitate implementation of the master plan and annual action plans.

Proposed law requires that each member of the advisory commission direct the implementation of the policies, directives, and components of the State Plan for Economic Development and any budgetary, legislative, regulatory, or program initiative contained in an Economic Development Action Plan which would affect or require the action of the agency of his responsibility and charge.

(Adds R.S. 51:2400.1-2400.10)