

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 R.S. 36:109(B)(4) and Chapter 39-D of Title 51 of the Louisiana Revised Statutes
3 of 1950, to be comprised of R.S. 51:2400.1 through 2400.10, relative to creating a
4 council focused on economic development goals; to provide for purpose; to provide
5 for definitions; to provide for the creation of the Council of Economic Prosperity; to
6 provide for composition of the council; to provide for council officers; to provide for
7 the creation of the State Plan for Economic Development; to provide for an annual
8 action plan; to provide for council powers; to provide for the implementation of a
9 master plan and action plans; to provide for the creation of the Advisory Commission
10 on Economic Development; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 36:109(B)(4) is hereby enacted to read as follows:

13 §109. Transfer of boards, commissions, departments, and agencies to Department
14 of Economic Development

15 * * *

16 B. The following agencies are placed within the Department of Economic
17 Development and shall perform and exercise their powers, duties, functions, and
18 responsibilities as provided by law:

19 * * *

20 (4) The Council for Economic Prosperity (R.S. 51:2400.1 et seq.).

21 * * *

1 Section 2. Chapter 39-D of Title 51 of the Louisiana Revised Statutes of 1950,
2 comprised of R.S. 51:2400.1 through 2400.10, is hereby enacted to read as follows:

3 CHAPTER 39-D. COUNCIL FOR ECONOMIC PROSPERITY

4 §2400.1. Purpose

5 The purpose of this Chapter is to ensure that the state engages in
6 comprehensive strategic planning for economic development. This planning should
7 incorporate both long-term vision and short-term operational objectives, fully
8 integrate all state and private sector development entities and programs, and produce
9 a clearly articulated state philosophy on economic development. The strategic plan
10 shall include a set of measurable objectives for the progressive development of the
11 state's economy, business environment, infrastructure, educational systems, human
12 resources, and tax structures, with the goal of steady and predictable economic
13 growth, full employment for all workers, and a responsive state government
14 delivering needed services to our citizens in an efficient and cost-effective way.

15 §2400.2. Definitions

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

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

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

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

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

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

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

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

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

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

2 §2400.3. Council for Economic Prosperity; creation; scope

3 The Council for Economic Prosperity is hereby created and shall be
4 responsible for directing the economic development policymaking and strategic
5 economic development planning of the state. The council shall formulate a
6 comprehensive strategic plan for economic development in this state to be known as
7 the State Plan for Economic Development, and shall work in concert with the
8 Advisory Commission on Economic Development to provide direction and
9 coordination for the implementation of all state measures required or generated by
10 the goals and objectives adopted in the plan.

11 §2400.4. Composition of council; terms; compensation

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

15 B. Eleven members shall be appointed by the governor, two members shall
16 be appointed by the president of the Senate, two members shall be appointed by the
17 speaker of the House of Representatives, and shall be subject to Senate confirmation.
18 All members appointed to the council shall serve a four-year term. All gubernatorial
19 appointments shall continue to serve until a successor is appointed.

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

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

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

24 (c) A representative from local government.

25 (d) A representative of the agricultural community.

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

27 (f) A representative of the mining industry.

28 (g) A representative of the banking community.

29 (h) A representative of the construction industry.

1 (i) Three manufacturers from three different Standard Industrial
2 Classification Codes.

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

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

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

6 (3) The speaker of the House of Representatives shall appoint members as
7 follows:

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

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

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

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

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

20 (4) The chairman may designate a representative for any meeting, duty, or
21 responsibility pursuant to his membership on the council, except, notwithstanding
22 any provision of law to the contrary, the chairman shall not designate a
23 representative to chair the full council meeting at which final adoption of the master
24 plan is considered and voted upon. The chairman shall personally preside over such
25 a meeting.

26 §2400.5. Council officers; quorum; compensation; meetings

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

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

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

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

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

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

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

17 §2400.6. State Plan for Economic Development; plan components; submission;
18 adoption

19 A. The Council for Economic Prosperity shall formulate and establish the
20 state's economic development policy and coordinate and ensure its implementation
21 through the Department of Economic Development, the office of the governor, and
22 the division of administration.

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

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

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

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

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

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

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

20 (7) Broad strategies, which when implemented, will permit the state to fulfill
21 goals and objectives of the economic vision set forth in the state plan. In
22 consultation with the Advisory Commission on Economic Development, the council
23 shall submit an outline of how the overall master state plan and five-year objectives
24 will be implemented through the submission of an annual Economic Development
25 Action Plan herein referred to as the "action plan". The action plan shall include
26 strategies and action plans developed by the various departments and approved by
27 the governor.

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

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

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

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

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

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

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

26 §2400.7. Annual action plan

27 A. On the first of July of each year following submission of the original state
28 master plan, the council shall submit an annual report and the action plan to the
29 governor, the president of the Senate, the speaker of the House of Representatives,

1 the chairman of the Senate Committee on Commerce, Consumer Protection, and
2 International Affairs, and the chairman of the House Committee on Commerce.

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

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

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

10 (3) An overview of the bench marking and accountability program and
11 presentation of the results obtained during the prior year.

12 (4) An analysis of the strengths and weaknesses of all initiatives, operational
13 strategies, and action plans implemented in the prior year.

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

16 (6) An analysis of changes and trends in the external economic environment.

17 §2400.8. Additional council powers and duties; executive committee,
18 subcommittees

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

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

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

3 (a) Infrastructure.

4 (b) Education and work force training.

5 (c) Taxation and state revenue.

6 (d) Finance and capital.

7 (e) Economic development programs and incentives.

8 (f) Economic modeling and diversification.

9 (g) Rural development.

10 (h) Regional Economic Development, which shall include members that
11 represent all of the following regions:

12 (i) Acadiana.

13 (ii) Bayou.

14 (iii) Capital.

15 (iv) Central.

16 (v) Northeast.

17 (vi) Northwest.

18 (vii) Southeast.

19 (viii) Southwest.

20 (i) Any other committees deemed appropriate.

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

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

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

1 §2400.9. Implementation of master plan and action plans

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

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

11 §2400.10. Advisory Commission on Economic Development

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

- 15 (1) Lieutenant governor or his designee.
- 16 (2) Secretary of the Department of Economic Development or his designee.
- 17 (3) Commissioner of the division of administration or his designee.
- 18 (4) Secretary of the Department of Transportation and Development or his
19 designee.
- 20 (5) Secretary of the Louisiana Workforce Commission or his designee.
- 21 (6) Secretary of the Department of Natural Resources or his designee.
- 22 (7) Secretary of the Department of Environmental Quality or his designee.
- 23 (8) Superintendent of education or his designee.
- 24 (9) State treasurer or his designee.
- 25 (10) Commissioner of the Department of Agriculture and Forestry or his
26 designee.
- 27 (11) Secretary of the Department of Children and Family Services or his
28 designee.

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

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

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

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

13 D. Each member of the advisory commission shall, as directed by the
14 governor order, direct the implementation of the policies, directives, and components
15 of the state plan and any budgetary, legislative, regulatory, or program initiative
16 contained in an action plan which would affect or require the action of the agency
17 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 Engrossed

2023 Regular Session

Echols

Abstract: Creates a council focused on economic development goals.

Proposed law provides for purpose of proposed law.

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

Proposed law creates the Council for Economic Prosperity and places it with the Dept. of Economic Development.

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, the president of the Senate, and the speaker of the House shall appoint members. Other members shall include the governor and the secretary of the Dept. of Economic Development. 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 except 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 nine members. Members shall be compensated for actual and necessary expenses incurred in accordance with state travel regulations.

Proposed law requires that the full council shall meet at least quarterly. Only one of the mandatory quarterly meetings shall take place in Baton Rouge.

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 Dept. 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 and their impact on the economy of La.
- (4) An analysis of broad trends of economic change on the national and regional levels in the U.S.
- (5) A comprehensive needs assessment and baseline analysis of the La. industries.
- (6) An analysis of the sustainability of the current La. economy over time. A twenty-year plan, divided into five-year increments, with goals and objectives designed to attain economic prosperity.
- (7) Broad strategies that 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 La. 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 to gather the testimony of the public on the master plan.

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.

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. Each strategy and action plan shall have measurable goals and objectives which 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.
- (4) An analysis of the strengths and weaknesses of all initiatives, operational strategies, and action plans implemented in the prior year.
- (5) An explanation of why any strategies or initiatives were not implemented or failed, and recommendations on how to achieve their successful implementation.
- (6) 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 La. 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 subcommittees.

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 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 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 provides who shall comprise the Advisory Commission on Economic Development.

Proposed law requires that the advisory commission shall advise, coordinate with, and provide research, information, and staff support to the Council for Economic Prosperity upon request. The commissioner of administration shall assign a staff member with expertise in strategic planning to the advisory group. The secretary of the Dept. 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 initiatives 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. 36:109(B)(4) and R.S. 51:2400.1-2400.10)

Summary of Amendments Adopted by House

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

1. Place the Council for Economic Prosperity within the Department of Economic Development.
2. Clarify that the chairman shall not designate a representative to chair the full council meeting where the final adoption of the master plan is considered and shall personally preside over such meeting.
3. Clarify that the council shall consult the advisory commission when submitting an outline of the master plan and objectives through the submission of the Economic Development Action Plan.

4. Add a subcommittee for regional economic development under the executive council.
5. Make technical changes.