
DIGEST

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HB 585 Reengrossed

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", "benchmarking", "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 with 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 council's 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 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 benchmarking 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 benchmarking 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 benchmarking and accountability model.
- (3) An overview of the benchmarking 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 in accordance with the Administrative Procedure Act 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.

The House Floor Amendments to the engrossed bill:

1. Add that the initial members appointed by the governor to the Council for Economic Prosperity shall have staggered terms.
2. Add that the council shall establish guidelines in accordance with the Administrative Procedure Act by which all economic development funding, awards, grants, incentives, and guarantees are prioritized.
3. Make technical changes.