

2025 Regular Session

HOUSE BILL NO. 535

BY REPRESENTATIVE MANDIE LANDRY

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

LEGISLATIVE AUDITOR: Requires the Louisiana Legislative Auditor to evaluate state tax incentives

## 1 AN ACT

2 To enact R.S. 47:1517.2 and R.S. 24:513(Q), relative to the legislative auditor; to provide  
3 for the legislative auditor to evaluate and report on tax incentives within the state;  
4 to provide for the powers, duties and functions of the legislative auditor as it relates  
5 to the evaluation of and the reports on tax incentives; to provide for the legislative  
6 auditor's authority to recapture and recover funds that are associated with tax  
7 incentives; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:1517.2 is hereby enacted to read as follows:

10 §1517.2. Tax incentive evaluation and reporting; powers and duties of the  
11 legislative auditor

12 A.(1) The legislative auditor shall have regular evaluation and reporting  
13 authority concerning tax incentives pursuant to R.S. 47:1517.1 and R.S. 24:513.

14 (2) The legislative auditor shall evaluate of each tax incentive administered  
15 by a state agency pursuant to R.S. 47:1517.1. The legislative auditor's office may  
16 exempt from evaluation any incentive that he concludes has a minimal fiscal impact.

17 (3) The legislative auditor may contract with a private company, nonprofit,  
18 or academic institution to assist with evaluations.

1           B. The legislative auditor office shall prepare a cost-benefit analysis of tax  
2           incentives and the impact of tax incentives on state revenue. The cost-benefit  
3           analysis shall include the following:

4                   (1) The creation of jobs.

5                   (2) The effect on personal income.

6                   (3) The effect on gross domestic product.

7           C. Evaluations shall also include the following quantitative assessments:

8                   (1) Whether adequate protections are in place to ensure that the fiscal impact  
9           of the incentive does not increase substantially.

10                  (2) Efficient administration of the incentive.

11                  (3) Whether the company receiving the incentive is achieving its goals.

12           D. The legislative auditor may ensure that companies receiving tax  
13           incentives participate in evaluations and accurately verify data.

14                  E.(1) The legislative auditor may recapture and recover a particular tax  
15           incentive or a portion of a particular tax incentive from a company if a company  
16           refuses to submit required data or does not meet the contractual obligations for an  
17           incentive.

18                  (2) Any amount that is recaptured or recovered pursuant to the legislative  
19           auditor's enforcement of this Subsection shall be used to fund future evaluations,  
20           future economic development, or general expenses.

21           F. The legislative auditor shall publish a report concerning evaluations  
22           conducted pursuant to this Section and submit the report to the legislature every odd-  
23           numbered year. The report shall include recommendations to the legislature on  
24           whether to retain, reform, or repeal a tax incentive.

25           Section 2. R.S. 24:513(Q) is hereby enacted to read as follows:

26           §513. Powers and duties of legislative auditor; audit reports as public records;  
27                   assistance and opinions of attorney general; frequency of audits; subpoena  
28                   power

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- 1                    Q. The legislative auditor may recapture and recover funds in connection  
2                    with tax incentives pursuant to the provisions in R.S. 47:1517.2.
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## 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)]

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HB 535 Original

2025 Regular Session

Mandie Landry

**Abstract:** Provides for the legislative auditor's authority to evaluate and report on tax incentives in the state. Provides for the powers, duties, and functions of the legislative auditor as it pertains to the evaluation of and reporting on tax incentives. Provides for the legislative auditor's power to recapture and recover tax incentive funds.

Present law (R.S. 47:1517.1) authorizes the legislative auditor ("LLA") to conduct performance audits of state agency programs that administer tax incentives in order to evaluate the impact, efficiency, effectiveness, and cost-effectiveness of programs and to identify programs that are vital and in the best interests of the citizens of Louisiana. Proposed law retains present law.

Proposed law authorizes the LLA to make regular evaluations and to report on each tax incentive administered by a state agency pursuant to present law, but provides that the LLA may exempt from evaluation any incentive that he concludes has a minimal fiscal impact. Provides that the LLA may contract with third parties to assist with evaluations.

Proposed law requires that the LLA prepare a cost-benefit analysis of tax incentives and the impact they have on state revenue. Further provides that the evaluations shall include quantitative assessments.

Proposed law grants the LLA the authority to ensure companies participate in evaluations and accurately verify data collected. Provides that the LLA may recapture and recover a particular tax incentive or a portion of a particular tax incentive from a company if a company refuses to submit required data or does not meet the contractual obligations for an incentive. Further provides that any amount of money that has been recaptured or recovered pursuant to proposed law will be used to fund future evaluations, future economic development, or general expenses.

Proposed law requires the LLA to submit a report to the legislature every odd-numbered year. Further requires that reports contain recommendations on whether to retain, reform, or repeal a tax incentive.

Present law (R.S. 24:513) provides for the general powers and duties of the LLA. Provides that the LLA has the authority to compile financial statements and to examine, audit, or review the books of the state treasurer, all public boards, commissions, agencies, departments, political subdivisions of the state, public officials and employees, public retirement systems, municipalities, and all other public or quasi public agencies or bodies. Proposed law retains present law.

Proposed law provides for an additional power of the LLA. Provides that the LLA has the authority to recapture and recover funds in connection with tax incentives pursuant to proposed law.

(Adds R.S. 47:1517.2 and R.S. 24:513(Q))