



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 161** SLS 25RS 213
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 22, 2025 6:07 PM	Author: MIZELL
Dept./Agy.: Louisiana Economic Development	
Subject: Changes in Louisiana Economic Development	Analyst: Noah O'Dell

ECONOMIC DEVELOP DEPT OR SEE FISC NOTE SD EX Page 1 of 1
 Provides relative to Louisiana Economic Development. (8/1/25)

Current law establishes Louisiana Economic Development (LED) and associated offices, with stipulated duties. Current law authorizes LA Economic Development Corporation (LEDC) to create a nonprofit Qualified State Development Company to engage in cooperative endeavor agreements (CEA) with the federal government and federal loan programs.

Proposed law consolidates LED into the Office of Economic Development by absorbing the Office of Entertainment Industry and abolishing the Office of International Commerce; allows LED to lease, sublease, or sell state property (designated as LED property by the Commissioner of Administration) as well as purchase property, presumably without further legislative action; redefines the authorized nonprofit with broad economic development purposes to work alongside LED with a board selected by LEDC; establishes but does not fund the LA Economic Development Innovation Fund Account with LED discretion as to use; changes the membership and responsibilities of the Board of International Commerce, and repeals two annual reports.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	SEE BELOW					
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW					
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

The bill eliminates the Office of Economic Development and the Office of International Commerce with the responsibilities assumed by the newly created Office of Economic Development. LED reports no change in expenditures and no additional staff or agency personnel will be required or eliminated due to the duties outlined in the bill.

1) Though the authorized nonprofit State Development Company (SDC) has not been initiated, the bill appears to expand the powers of the nonprofit to engage in CEAs with not only the federal government, but other state and local agencies, and private funding source organizations to aid in the furtherance of any function of LED. The board members of the SDC shall be appointed by the board of LEDC. It is unclear who will be employed by the SDC and whether or not they will be subject to the same compensation, ethics code, and retirement benefits, etc., as other state employees or whether the corporation is subject to audit, particularly in the event it only receives private funding. **The bill appears to allow the SDC to operate without any budgetary oversight, but alongside and with the same purposes as LED.**

2) LED is allowed to purchase property, presumably without further legislative action, for the purpose of creating economic benefits to the state. The MOF for such purchases or any expenses related to the property is unspecified.

3) The LED Innovation Fund Account is established but not funded in the bill and allows the Secretary of LED to develop criteria for fund distribution.

To the extent LED chooses to utilize any of these three authorizations, the agency would likely incur costs in excess of the \$100,000 dual referral threshold as stipulated in House Rule 6.8(F)(1) and/or Senate Rule 13.5.1.

The bill makes substantial changes to the membership of the Board of International Commerce and changes its role in LED to that of an advisory board.

REVENUE EXPLANATION

In current law, LED may lease property under its control with Commissioner approval. The bill expands LED's revenue options to include the selling or subleasing of LED property. Revenue from sales/leases/subleases flows to the Site Investment and Infrastructure Improvement Fund (undefined). To the extent LED sells or subleases property, the bill may increase SGR within LED by an amount that depends on the executed contracts. The bill creates the LED Innovation Fund with no specified source of revenue and permits Treasury to deposit undefined fees into the fund.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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