Would have created the Louisiana Entrepreneurial Assistance and Development (LEAD) Program which grants a tax reduction to insurance companies under certain circumstances, provided that both the division of administration and the legislative fiscal office provide written certification that the cost to the state of the premium tax credit will be offset by the economic impact on the state because of the premium tax credit earned from investments of eligible capital in a LEAD fund.

Would have provided for definitions, including the definition of revenue neutrality.

Would have provided with respect to premium tax credits, applications for certification as a LEAD fund, and applications for tax credits.

Would have specified that certain information be communicated to the secretary of the La. Dept. of Economic Development (LED) once an entity has received eligible capital.

Would have provided that a LEAD fund shall not invest more that 15% of its eligible capital in any one eligible business, without the permission of the secretary of the LED.

Would have requires that each LEAD fund maintain compliance with the policies, requirements, and conditions established for such funds.

Would have provided that the LED is responsible for the administration of the program. Would have required that applicants who receive an allocation of eligible capital under the program shall bear any cost, not to exceed $15,000 per fiscal year, to cover the administrative costs of the department. Would have provided that such monies shall be appropriated to the department.

Would have required each LEAD fund to provide a written report to the secretary of the LED, the Senate Committee on Revenue and Fiscal Affairs, and the House Committee on Ways and Means, not later than January 31st of each year.

Would have required the secretary of the LED to review each annual report to ensure compliance with proposed law.

Would have authorized the legislative auditor to audit any LEAD fund, the businesses in which the fund invests, and investors who earn a premium tax credit from fund investments.

Would have provided that if the secretary of the LED determines, or is provided with written notification by the legislative auditor, that a LEAD fund is not in compliance with proposed law, he shall notify the fund officers, in writing, that the fund may be subject to decertification unless the deficiencies are waived by the secretary or are corrected and the fund returned to compliance.

Would have required the LED to file an annual report with the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means regarding the manner in which all LEAD funds have invested eligible capital, the businesses in which investments have been made, and in what amount, the jobs created by such businesses and their success and failure, the share of LEAD fund distributions received by the state, and whether investment tax credits achieved "revenue neutrality" as defined in proposed law.

Would have become effective August 15, 2011.

(Proposed to add R.S. 22:832.1 and R.S. 51:3121-3132)

VETO MESSAGE: "Senate Bill No. 265 by Senator Riser creates a 75% premium tax credit for insurance companies investing in certified funds. Up to $150 million total in tax credits can be claimed.

LED has concerns that a 75% tax credit ensures a nearly risk-free return for investors and runs counter to the premise of a venture capital program. While I respect the intent of this legislation, I believe there are more critical economic development programs to which we should dedicate state resources at this time. During the 2011 Regular Session, I supported the renewal of several incentive programs which create jobs, attract business investment, encourage intellectual property development, and revitalize historic and downtown areas.

It is important that we protect scarce resources for priorities like healthcare and higher education. For this reason, I have vetoed Senate Bill No. 265 and hereby return it to the Senate."