

**(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)**

**ECONOMIC DEVELOP/DEPT. Makes changes to the unified economic development budget report and requires report to be annual.**

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DIGEST

Talbot

HB No. 422

Present law requires the Dept. of Economic Development (DED) to issue a unified economic development budget report every two years. Requires the report to be prepared by an independent economist under contract with the division of administration. Requires the methodologies and assumptions of the report to be developed in consultation with the Economic Estimating Conference, the Revenue Estimating Conference, the legislative auditor, the legislative fiscal office, DED, the Dept. of Revenue and the La. Workforce Commission. Requires the report to be certified by the Economic Estimating Conference, the Revenue Estimating Conference, and the legislative fiscal office. Proposed law requires the report to be issued annually, instead of biennially and deletes other present law requirements.

Present law requires the report to be submitted to the governor, the president of the Senate, the speaker of the House, the chairs of the House and Senate commerce committees, and the legislative research library. Proposed law changes present law to require electronic submission to members of the legislature and not just the chairs of the House and Senate commerce committees.

Present law requires the report to include various pieces of information, including a complete listing of each state economic development program and the tax revenues generated by employers participating in the programs that the division of administration agrees should be included in the report.

Proposed law provides that the report in each year shall include at least 25% of the economic development programs within the Department of Economic Development. Each economic development program within the department shall be included in the report at least once every four years. New economic development programs created within the department shall be included in the report not later than two years after the year of creation.

Proposed law provides the report will contain the following information:

- (1) A list of all state economic development programs within the Department of Economic Development, including program title and statutory citation.
- (2) A description of the economic development programs covered by the report, including the purposes of the programs, qualifying businesses, type of incentive, and how administered.
- (3) For the initial report and subsequent reports of an economic development program covering fiscal year periods since the last report, based upon actual data to the extent available and upon estimates to the extent actual data is not available, the amount of incentives issued; the administrative cost of the program; jobs, wages, capital investment, and any other economic benefit associated with utilization of the program, including the amount of capital investment and the number and gross payroll of permanent full and part-time jobs created and retained; economic impact of the program, including impact on state tax revenues; and the overall impact of the program.

- (4) For the current and next fiscal year, estimates of certain information regarding each economic development program covered in the report.

Proposed law repeals present law requirement that the report classify the performance data according to three digit North American Industrial Classification System Codes and categorize by DED Vision 2020 clusters.

(Amends R.S. 51:935.1(A), (B), and (E)(1)(a) and (3); Repeals R.S. 51:935.1(C) and (D))

#### Summary of Amendments Adopted by House

##### House Floor Amendments to the engrossed bill.

1. Required every employer participating in an economic development program within DED to supply any additional report, information, or data, at the request of the department, in connection with or related to any provision of the report.
2. Applied the report to those state economic development programs within DED only.
3. Required the report to include data relative to the actual number and gross payroll of jobs held by employees who are residents of the state.
4. Changed the comparison in the competitive analysis of the benefits offered in the economic development programs in this state compared to those offered in other states from regional states to neighboring states.
5. Made various technical changes.

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the reengrossed bill

1. Revises requirements of report coverage and contents.
2. Requires electronic submission of report to members of the legislature.