

## HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 422 by Representative Talbot

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

### Synopsis of Senate Amendments

1. Requires electronic submission of the annual report to members of the legislature.
2. Provides that the report in each year shall include at least 25% of the economic development programs within the Department of Economic Development and requires that each economic development program within the department be included in the report at least once every four years. Requires new economic development programs created within the department be included in the report not later than two years after the year of creation.
3. Provides the report will contain the following information:
  - (a) A list of all state economic development programs within the Department of Economic Development.
  - (b) A description of the economic development programs covered by the report.
  - (c) For the initial report and for all fiscal years since the last report, subsequent reports, and for current and next fiscal year estimates of:
    - (i) The amount of incentives issued.
    - (ii) The administrative cost of the program.
    - (iii) The number of permanent, new and retained, full-time and part-time jobs, amount of associated payroll, amount of capital investment, and any other economic benefit associated with utilization of the program.
    - (iv) The economic impact of the program, including impact on state tax revenues
    - (v) The overall impact of the program.

### Digest of Bill as Finally Passed by Senate

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 immediately prior fiscal year, if it is the initial report and for all fiscal years since the last report, or it is a subsequent report of an economic development program, based upon actual data to the extent available and upon estimates to the extent actual data is not available:
  - (a) The amount of incentives issued.
  - (b) The administrative cost of the program.
  - (c) The number of permanent, new and retained, full-time and part-time jobs, amount of associated payroll, amount of capital investment, and any other economic benefit associated with utilization of the program.
  - (d) The economic impact of the program, including impact on state tax revenues
  - (e) The overall impact of the program.
- (4) For the current and next fiscal year, estimates of:
  - (a) The amount of incentives issued.
  - (b) The administrative cost of the program.
  - (c) The number of permanent, new and retained, full-time and part-time jobs, amount of associated payroll, amount of capital investment, and any other economic benefit associated with utilization of the program.
  - (d) The economic impact of the program, including impact on state tax revenues
  - (e) The overall impact of the program.

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))