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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

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## DIGEST

Donahue (SB)

Proposed law provides that all economic reports for projects in excess of a total state commitment of ten million dollars for the term of the project submitted in conjunction with the request for approval of the Joint Legislative Committee on the Budget (JLCB) shall provide the following information:

- (a) Inclusion of all input information, data, and assumptions, including, but not limited to data sources, economic growth assumptions, and an assessment/basis of the reasonableness of each.
- (b) A description of the analytical model employed for the report and how each input was utilized with that model.
- (c) Results in terms of value-added, household earnings, and employment, and a description of each concept.
- (d) Results by industry sector, with an assessment of possible adverse effects on sectors that compete with the subsidized company. Additionally, the analysis shall address the wage, labor, and price dynamics analytically.
- (e) Explicit identification of the project's effect on direct expenditure requirements in the state budget or any reduction in taxes or state revenues, including but not limited to tax exemptions, exclusions, deductions, reductions, repeals, rebates, incentives, abatements, or credits.
- (f) An additional assessment by the secretary of the Department of Economic Development regarding the extent to which the subject project would not have occurred but for the proposed state financial support. The secretary's assessment shall reference other business factors which contributed to the project activity occurring and factors which will be required for ongoing sustainability such as labor, transportation, energy, among others.
- (g) Cost/benefit comparisons of the incentives in the package compared to the costs in the package shall be for the same period of time or the same term, both for the direct benefits to the state as well as the indirect benefits to the state."

Proposed law also provides the department shall submit the request to the committee at least seventeen business days, or as permitted by the chairman prior to the meeting for which the department is seeking the committee's approval and provides for notification of the Joint Legislative Committee on the Budget membership if the time period for submission is shortened.

Clarifies definition of project to include various agreements with nonpublic parties which would result in the obligation of state resources for the purposes of engendering economic growth or development in the state through the utilization of certain incentives.

Effective July 1, 2014.

(Adds R.S. 24:653(M))

### Summary of Amendments Adopted by Senate

#### Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Establishes a threshold of projects requiring approval of the Joint Legislative Committee on the Budget in excess of a total state commitment of \$10 million for the term of the project.
2. Requires various information, including all input information, data, assumptions, data sources, economic growth assumptions, description of the analytical model used, information by industry sector, assessments of possible adverse effects, identification of direct expenditure requirements in the state budget, effects on of state revenues or taxes, proposed state financial support, cost/benefit comparisons, among other analyses of the requested project.
3. Extends period for request submission up to 17 business days from two full weeks and provides for notification of the Joint Legislative Committee on the Budget membership if the time period for submission is shortened.
3. Deletes requirements for static and dynamic economic model analysis.
4. Clarifies definition of project to include various agreements with nonpublic parties which would result in the obligation of state resources for the purposes of engendering economic growth or development in the state through the utilization of certain incentives.