
The original instrument was prepared by Jay Lueckel. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

Donahue (SB 338)

Proposed law provides that all economic and financial 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:

- (1) 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.
- (2) A description of the analytical model employed for the report and how each input was utilized with that model.
- (3) Results in terms of value-added, household earnings, and employment, and a description of each concept.
- (4) Results by industry sector, with an assessment of possible adverse effects on sectors that compete with the subsidized company for in-state customers.
- (5) 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.
- (6) An additional assessment by the secretary of the Department of Economic Development regarding the extent to which the 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 including but not limited to labor, transportation, energy, among others.
- (7) 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.

Proposed law provides that the Joint Legislative Committee on the Budget shall transmit the report to the legislative fiscal office for evaluation of the department's assessment upon receipt of the request. Further provides that the legislative fiscal office shall make such information available to the committee during its review.

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.
4. Deletes requirements for static and dynamic economic model analysis.
5. 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.

Senate Floor Amendments to engrossed bill

1. Deletes the requirement that the project's report, submitted to the Joint Legislative

Committee on the Budget (JLCB), include an analysis addressing the wage, labor and price dynamics analytically.

2. Specifies that the project's report include an assessment of possible adverse effects on sectors that compete with the subsidized company for in-state customers.
3. Adds a requirement that the JLCB transmit the project's report to the legislative fiscal office for evaluation upon receipt of the request. Further provides that such information be made available to the committee during its review.
4. Adds financial reports to the requirements of proposed law.
5. Technical amendments.