

SENATE BILL NO. 338

BY SENATOR DONAHUE

1 AN ACT

2 To enact R.S. 24:653(M), relative to duties and function of the Joint Legislative Committee
3 on the Budget; to provide relative to economic reports for projects submitted in
4 conjunction with the request for approval of the Joint Legislative Committee on the
5 Budget; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 24:653(M) is hereby enacted to read as follows:

8 §653. Duties and functions

9 * * *

10 **M.(1) All economic and financial reports for projects submitted in**
11 **conjunction with the request for approval of the Joint Legislative Committee**
12 **on the Budget in excess of a total state commitment of ten million dollars for the**
13 **term of the project shall provide the following information:**

14 **(a) Inclusion of all input information, data, and assumptions, including**
15 **but not limited to data sources, economic growth assumptions, and an**
16 **assessment/basis of the reasonableness of each.**

17 **(b) A description of the analytical model employed for the report and**
18 **how each input was utilized with that model.**

19 **(c) Results in terms of value-added, household earnings, and**
20 **employment, and a description of each concept.**

21 **(d) Results by industry sector, with an assessment of possible adverse**
22 **effects on sectors that compete with the subsidized company for in-state**
23 **customers.**

24 **(e) Explicit identification of the project's effect on direct expenditure**
25 **requirements in the state budget or any reduction in taxes or state revenues,**
26 **including but not limited to tax exemptions, exclusions, deductions, reductions,**
27 **repeals, rebates, incentives, abatements, or credits.**

1 (f) An additional assessment by the secretary of the Department of
2 Economic Development regarding the extent to which the project would not
3 have occurred but for the proposed state financial support. The secretary's
4 assessment shall reference other business factors which contributed to the
5 project activity occurring and factors which will be required for ongoing
6 sustainability including but not limited to labor, transportation, energy, among
7 others.

8 (g) Cost/benefit comparisons of the incentives in the package compared
9 to the costs in the package shall be for the same period of time or the same term,
10 both for the direct benefits to the state as well as the indirect benefits to the
11 state.

12 (2)(a) The department shall submit the request for Joint Legislative
13 Committee on the Budget approval of the project with the analysis to the
14 committee for its review at least seventeen business days, or as permitted by the
15 chairman, prior to the meeting for which the department is seeking the
16 committee's approval. In the event that the chairman specifies a request
17 submission period that is less than seventeen business days, the chairman shall
18 notify all members of the committee of the revised submission time period.
19 Presentation of the information required shall be in a format developed by the
20 department in consultation with the Legislative Fiscal Office and the Joint
21 Legislative Committee on the Budget.

22 (b) Upon receipt of the request, the Joint Legislative Committee on the
23 Budget shall transmit the report to the legislative fiscal office for evaluation of
24 the department's assessment and the legislative fiscal office shall make such
25 information available to the committee during its review.

26 (3) For the purposes of this Section and notwithstanding any other
27 provision of law to the contrary, "project" shall mean any public-private
28 partnership, agreement with a nonpublic party, lease, cooperative endeavor
29 agreement, memorandum of understanding, or other contractual agreement
30 which would result in or is expected to result in the obligation of state resources

1 or the expenditure of revenues from the operation, management, or control of
 2 a state resource for the purposes of engendering economic growth or
 3 development in the state through the utilization of certain incentives, including
 4 but not limited to tax exemptions, exclusions, deductions, reductions, repeals,
 5 rebates, incentives, abatements, or credits.

6 Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor
 7 and subsequently approved by the legislature, this Act shall become effective on July 1,
 8 2014, or on the day following such approval by the legislature, whichever is later.

 PRESIDENT OF THE SENATE

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____