

New law provides that all economic and financial reports for projects in excess of a total state commitment of \$10 million 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.

New law requires the department to 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 JLCB membership if the time period for submission is shortened. Requires that information submitted be in a format developed by the department in consultation with the Legislative Fiscal Office and JLCB.

New law provides that the JLCB 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))