

2015 Regular Session

HOUSE BILL NO. 738

BY REPRESENTATIVES JAMES, BURRELL, GAINES, HUNTER, TERRY LANDRY,
PIERRE, AND SMITH

TAX CREDITS: Excludes certain businesses from being eligible to participate in the Enterprise Zone Program and dedicates certain savings

1 AN ACT

2 To amend and reenact R.S. 51:1787(B)(3)(b) and (c) and to enact R.S. 51:1787(B)(3)(d)
3 and (K), relative to enterprise zone incentives for businesses; to provide with respect
4 to the enterprise zone program; to provide for certain eligibility requirements; to
5 provide for applicability; to require the transfer of certain funds; to provide for an
6 effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 51:1787(B)(3)(b) and (c) is hereby amended and reenacted and R.S.
9 51:1787(B)(3)(d) and (K) are hereby enacted to read as follows:

10 §1787. Incentives

11 * * *

12 B. The board may enter into the contracts provided in Subsection A of this
13 Section provided that:

14 * * *

15 (3)

16 * * *

17 (b) In addition to the requirements of Subparagraph (a) of this Paragraph,
18 eligibility for a retail business which is assigned a North American Industry
19 Classification Code of 44 or 45 ~~and has more than one hundred employees~~

1 ~~nationwide including affiliates prior to the contract effective date~~ shall be limited to
2 grocery stores and pharmacies located in an enterprise zone, as such terms are
3 defined by the department by rules promulgated in accordance with the
4 Administrative Procedure Act.

5 (c) In addition to the requirements of Subparagraphs (a) and (b) of this
6 Paragraph, businesses that are assigned a North American Industry Classification
7 Code of 23, 53, 62, or 72 shall not be eligible to receive incentives under this
8 Section.

9 (d) The certifications required by Subparagraph (a) of this Paragraph shall
10 be updated annually if the business is to continue receiving the benefits of this
11 Chapter.

12 * * *

13 K.(1) On July 1, 2016, and on July first of each fiscal year thereafter upon
14 receipt of the certification from the Department of Economic Development required
15 in Subparagraph (2), the state treasurer is hereby authorized and directed to transfer
16 to the Louisiana Education and Workforce Opportunity Fund an amount equal to the
17 savings recognized by the state by limiting enterprise zone incentives eligibility to
18 select industries by NAICS code. The amount transferred to the Louisiana Education
19 and Workforce Opportunity Fund pursuant to this Subsection shall never exceed
20 twenty-five million dollars.

21 (2) When the amount of state monies expended on incentives for the
22 enterprise zone program in the baseline year is greater than the amount of state
23 monies expended in the calendar year immediately preceding the annual transfer
24 directed to be made by the state treasurer in Subparagraph (1) of this Subsection, that
25 amount shall be designated as the "savings" amount to be transferred. The
26 Department of Economic Development shall establish a baseline year amount based
27 on the monies expended by the state on incentives granted for the enterprise zone
28 program in calendar year 2014 and shall certify annually the savings to the state
29 treasurer.

Proposed law directs the state treasurer to annually transfer the amount of savings recognized by the state by limiting enterprise zone incentives to the Louisiana Education and Workforce Opportunity Fund, established in proposed law. Further requires Dept. of Economic Development to establish a baseline year amount based on state monies expended on enterprise zone incentives in calendar year 2014 and to certify the amount of savings to the state treasurer annually. Proposed law prohibits transfer of an amount greater than \$25M.

Proposed law further provides that when the baseline amount is greater than the calendar year immediately preceding the fiscal year in which the annual transfer is to occur, the difference in the amounts shall be the amount transferred by the state treasurer.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 51:1787(B)(3)(b) and (c); Adds R.S. 51:1787(B)(3)(d) and (K))