

Regular Session, 2014

HOUSE BILL NO. 994

BY REPRESENTATIVE PONTI

ECONOMIC DEVELOPMENT: Provides relative to financing requirements of the Louisiana Business and Industrial Development Company Act

1 AN ACT

2 To amend and reenact R.S. 51:2395(A)(7), relative to the Louisiana Business and Industrial
3 Development Company Act; to provide an exception for certain financing
4 requirements of entities licensed in this state to transact business as a business and
5 industrial development company; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:2395(A)(7) is hereby amended and reenacted to read as follows:

8 §2395. Transaction of business

9 A.

10 * * *

11 (7) Unless approved by the commissioner, the total amount of financing
12 assistance provided by a licensee outside of this state shall not exceed fifty percent
13 of the total financing assistance provided by such licensee on a cumulative basis.

14 The limitation of this Subsection shall not apply to a licensee that has done both of
15 the following:

16 (a) Provided financing assistance in this state in excess of one hundred
17 million dollars. A licensee may count financing assistance provided by a licensed
18 affiliate or licensed affiliates in this state towards the satisfaction of the requirements
19 of this Subparagraph.

20 (b) Held a license for at least ten years.

21 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Ponti

HB No. 994

Abstract: Provides that the total amount of financing assistance provided by a business and industrial development company (BIDCO) outside of this state is not to exceed 50% of the total financing assistance provided by such licensee on a cumulative basis, unless the BIDCO, with affiliates, has provided \$100,000,000 of financing assistance in Louisiana and has held a license at least 10 years.

Present law provides for the creation of a system of licensing that will enable business and industrial development companies to satisfy eligibility requirements to voluntarily participate in the programs of the Small Business Administration, and other programs.

Proposed law retains present law.

Present law provides that a La. corporation or La. limited liability company may apply to the commissioner of the office of financial institutions (OFI) for licensure as a business and industrial development company.

Proposed law retains present law.

Present law provides that the business of a licensee shall be the business of providing financing assistance and management to other business firms and shall not engage in another business.

Proposed law retains present law.

Present law provides that unless approved by the commissioner, the total amount of financing assistance provided by a licensee outside of this state shall not exceed 50% of the total financing assistance provided by such licensee on a cumulative basis.

Proposed law retains present law, but states that this provision of present law shall not apply to a licensee that has provided financing assistance in this state in excess of \$100,000,000 and has held a license for at least 10 years.

Proposed law further provides that a licensee may count financing assistance of a licensed affiliate or licensed affiliates to satisfy the requirement of providing an excess of \$100,000,000 financing assistance within the state.

(Amends R.S. 51:2395(A)(7))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Made technical changes.
2. Clarified that a business and industrial development company licensee may count financing assistance provided by a licensed affiliate or licensed affiliates to satisfy the requirement of providing in-state financing assistance in excess of \$100,000,000, pursuant to proposed law.