

2024 Regular Session

SENATE BILL NO. 494

BY SENATOR MIZELL

ECONOMIC DEVELOP DEPT. Provides for the Department of Economic Development.
(gov sig)

1 AN ACT
2 To amend and reenact R.S. 36:4(A)(2), 101(A), 102, 104(A)(6), the introductory paragraph
3 of R.S. 47:318(B)(2), R.S. 47:318(B)(2)(a), and R.S. 51:2311(A)(2) and (B), 2403(E)
4 and (F)(3), to enact R.S. 36:101(D), 104(A)(16) and (B)(10), and 110, R.S.
5 39:196(D) and 1554(T), and R.S. 51:2312(D)(15) and 2315(D), and to repeal R.S.
6 36:106 and 107 and R.S. 51:2314, relative to the economic development; to provide
7 relative to Louisiana Economic Development; to provide for the powers, duties, and
8 organization of Louisiana Economic Development; to provide for powers and duties
9 of the secretary of Louisiana Economic Development; to provide for the creation of
10 a nonprofit corporation; to provide for an advisory committee to Louisiana Economic
11 Development; to provide for membership of the advisory committee; to provide
12 relative to the membership of the Louisiana Economic Development Corporation;
13 to provide for the development and implementation of a strategic plan and an
14 economic development plan; to provide relative to procurement; to provide for
15 exceptions; to provide for the retention and distribution of certain funds; for
16 technology services and procurement of Louisiana Economic Development; to
17 provide relative to terms, conditions, exceptions, and procedures; and provide for

1 related matters.

2 Be it enacted by the Legislature of Louisiana:

3 Section 1. R.S. 36:4(A)(2), 101(A), 102, 104(A)(6) are hereby amended and
4 reenacted and R.S. 36:101(D), 104(A)(16) and (B)(10), and 110 are hereby enacted to read
5 as follows:

6 §4. Structure of executive branch of state government

7 A. In accordance with the provisions of Article IV, Section 1 and Article
8 XIV, Section 6 of the Constitution of Louisiana, all offices, boards, commissions,
9 agencies, and instrumentalities of the executive branch of state government, whether
10 constitutional or statutory, and/or their functions, powers, duties, and responsibilities
11 shall be allocated, either in the Act by which this Title was created or by legislation
12 enacted subsequent thereto, within the departments listed in this Section, except as
13 provided in Subsections B and C of this Section, and in order to comply with this
14 constitutional mandate, the agencies of the executive branch of state government
15 hereinafter enumerated, whether heretofore created by the constitution or by statute,
16 and/or their functions, powers, duties, and responsibilities are allocated, in the
17 manner hereinafter set forth in this Title, within the following designated
18 departments:

19 * * *

20 (2) ~~Department of~~ **Louisiana** Economic Development.

21 * * *

22 CHAPTER 3. ~~DEPARTMENT OF~~ **LOUISIANA** ECONOMIC DEVELOPMENT

23 §101. ~~Department of~~ **Louisiana** Economic Development; creation; domicile;
24 composition; purposes and functions

25 A. ~~The Department of~~ **Louisiana** Economic Development is created and shall
26 be a body corporate with the power to sue and be sued. The domicile of the
27 department shall be in Baton Rouge.

28 * * *

29 **D. The department may establish a nonprofit corporation to assist with**

1 state economic development and to engage in any lawful activity as provided in
 2 this Chapter and in accordance with R.S. 12:201 et seq.

3 (1) The nonprofit corporation established pursuant to this Subsection
 4 may engage in cooperative endeavors with the federal government for the
 5 purposes of participating in any federal program for which it may become
 6 eligible and any other funding source including Louisiana Economic
 7 Development.

8 (2) The members of the board of directors shall be established in the
 9 articles of incorporation and bylaws of the nonprofit corporation.

10 §102. Officers of the department; Louisiana Economic Development;
 11 compensation for one office only

12 A. The officers of the department Louisiana Economic Development shall
 13 be the secretary, ~~the undersecretary,~~ **and** the deputy secretary if a deputy secretary
 14 is appointed, ~~and assistant secretaries,~~ each of whom shall be selected and shall
 15 perform functions as provided in this Title.

16 B. No person serving as a secretary; **or** deputy secretary; ~~undersecretary, or~~
 17 ~~assistant secretary~~ shall receive any additional salary from the state other than that
 18 salary which he receives by virtue of serving in any one of such offices. ~~Any~~ **Neither**
 19 **the secretary nor the deputy secretary shall be a** statewide elected official
 20 ~~appointed to serve as a secretary, deputy secretary, undersecretary, or assistant~~
 21 ~~secretary shall not receive any additional salary from the state other than that salary~~
 22 ~~which he receives as a statewide elected official.~~

23 C. Notwithstanding any provision herein to the contrary, subject to approval
 24 of the governor, any person; ~~including any statewide elected official;~~ serving or
 25 appointed to serve as a secretary; ~~undersecretary;~~ **or** deputy secretary; ~~or assistant~~
 26 ~~secretary~~ may receive additional compensation for part-time services rendered as an
 27 instructor in post-secondary educational institutions, or as a member of the National
 28 Guard.

29 * * *

1 §104. Powers and duties of the secretary of economic development

2 A. In addition to the functions, powers, and duties otherwise vested in the
3 secretary by law, he shall:

4 * * *

5 (6) Act as the sole agent of the state or, in necessary cases, designate one of
6 the offices within the department ~~or its assistant secretary~~, to cooperate with the
7 federal government and with other state and local agencies in matters of mutual
8 concern and in the administration of federal funds granted to the state or directly to
9 the department or an office thereof to aid in the furtherance of any function of the
10 department and its offices. For this purpose he may take such actions, in accordance
11 with any applicable state law, necessary to meet such federal standards as are
12 established for the administration and use of such federal funds, except as otherwise
13 specifically provided in this Title or by the constitution and laws of this state. **The**
14 **office shall develop and implement a plan to actively seek federal, private, and**
15 **other grants to support the activities of the department and advance the**
16 **economic growth and prosperity of the state.**

17 * * *

18 **(16) Develop a comprehensive strategic plan and long range economic**
19 **development plan in consultation with, and advice from, the Louisiana**
20 **Economic Development Partnership.**

21 B. The secretary shall have the authority to:

22 * * *

23 **(10) Enter into negotiated settlement agreements for all statutory**
24 **incentive programs administered by Louisiana Economic Development, with the**
25 **approval of the secretary of the Department of Revenue and the governor.**

26 * * *

27 **§110. Louisiana Economic Development Partnership; advisory committee**

28 **A. There is hereby created an advisory committee to be known as the**
29 **Louisiana Economic Development Partnership. The committee shall advise the**

1 department on matters relating to economic development policies, strategies,
2 programs, and initiatives to promote economic growth in the state.

3 B.(1) The committee shall consist of eleven appointed members as
4 follows:

5 (a) Nine members appointed by the governor.

6 (b) One member appointed by the president of the Senate.

7 (c) One member appointed by the speaker of the House of
8 Representatives.

9 (2) The secretary of Louisiana Economic Development shall serve as an
10 ex-officio and nonvoting member of the committee.

11 C. No member of the advisory committee shall hold an elected office
12 while serving as an appointed member of the advisory committee.

13 D. Vacancies on the advisory committee shall be filled in the same
14 manner as the original appointment.

15 E. The terms of the members shall be coterminous with the term of the
16 governor.

17 F. The committee shall meet at least quarterly and may hold additional
18 meetings as necessary.

19 G. A majority of the appointed members of the committee shall
20 constitute a quorum.

21 H. Members of the committee shall serve without compensation, but each
22 member shall be entitled to reimbursement of actual and necessary expenses
23 incurred in the performance of official duties in accordance with state travel
24 regulations.

25 I. The committee shall annually elect a chairman and other officers as
26 may be deemed necessary.

27 Section 2. R.S. 39:196(D) and 1554(T) are hereby enacted to read as follows:

28 §196. Application of Part: responsibility for determining; state chief information

29 officer

* * *

D. Notwithstanding any other provision of law to the contrary, the purchase, lease, and rental of all information technology equipment, related services, and software by Louisiana Economic Development shall be exempt from this Part, and the oversight and procurement authority of the chief information officer and office of technology services provided for in R.S. 39:15.1 et seq., except Louisiana Economic Development shall be required to continue as a LaGov agency for the use of the enterprise resource planning, but Louisiana Economic Development shall be subject to rules and regulations for these purposes adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. Louisiana Economic Development and office of technology service shall establish a transition plan that shall be completed by June 30, 2025.

* * *

§1554. Application of this Chapter

* * *

T. This Chapter shall not apply to Louisiana Economic Development. Louisiana Economic Development shall be required to continue as a LaGov agency, and shall adopt procurement provisions pursuant to rules adopted in accordance with the Administrative Procedure Act, R.S. 49:950 et seq.

Section 3. The introductory paragraph of R.S. 47:318(B)(2) and R.S. 47:318(B)(2)(a) are hereby amended and reenacted to read as follows:

§318. Disposition of collections

* * *

B. * * *

(2) Monies in the fund shall be subject to annual appropriation to ~~the~~ Department of Louisiana Economic Development for the following purposes:

(a) A minimum of one million dollars annually ~~to be used for marketing education, of which one million dollars shall be used as follows:~~ for regional or local economic development marketing, following guidelines to be developed by

1 (f) One ~~member who is appointed from a list of three private sector~~
2 ~~individuals employed at community banks submitted by the Louisiana Bankers~~
3 ~~Association~~ **private sector individual with experience in commercial banking.**

4 (g) One ~~member who is appointed from a list of three private sector~~
5 ~~individuals submitted by the Society of Louisiana Certified Public Accountants~~
6 **private sector individual with experience in local economic development.**

7 (h) One female ~~member who is appointed from a list of three private sector~~
8 ~~individuals~~ **business owner or private sector individual** representing women's
9 business interests.

10 (i) One ~~member representing the Louisiana~~ **private sector individual with**
11 **experience in** ~~venture capital industry or the Louisiana~~ **or** ~~angel investor community~~
12 **investing.**

13 (j) One ~~member who is appointed from a list of three private sector~~
14 ~~individuals submitted by and currently serving on the Louisiana Workforce~~
15 ~~Investment Council Board~~ **private sector individual appointed at large.**

16 B. The secretary of the Department of Economic Development or a designee
17 shall serve a term coterminous with his term in office. The remaining members shall
18 serve four-year terms, except that, of the initial appointments, three shall be for two-
19 year terms, three shall be for three-year terms, and two shall be for four-year terms.
20 Vacancies shall be filled in the manner of original appointment. **No member shall**
21 **be eligible to serve more than two terms; however, after the expiration of the**
22 **term of a member appointed to serve three years or less, two additional terms**
23 **may be served if appointed thereto. Any appointment to fill a vacancy shall be**
24 **for the unexpired term. A person appointed to fill a vacancy may be appointed**
25 **to serve two additional terms. A vacant board position shall not be counted as**
26 **an active voting member in determining a quorum until a successor has been**
27 **appointed as provided in this Subsection.**

28 * * *

29 §2312. Powers and authority; duties

* * *

D. The corporation is hereby authorized and shall have all the authority and power necessary in order to carry out and effectuate the purposes and provisions of this Chapter, including, without limiting the generality of the foregoing, the following specific powers which shall be in addition to others herein granted:

* * *

(15) To direct the state treasurer to invest, in a separate portfolio, the funds received for Louisiana Economic Development from any federal agency in accordance with federal guidelines. All investment income, net of investment expenditures, shall be credited to Louisiana Economic Development to be used as program revenue for associated funding.

* * *

§2315. Louisiana Economic Development Fund

* * *

D. Any unobligated general funds appropriated to Louisiana Economic Development at the end of a fiscal year shall be transferred to this fund.

* * *

§2403. Small Business Innovation Fund; purpose; program administration

* * *

E. Subject to appropriation and the provisions of this Section, monies in the fund shall be used by the Department of Economic Development for awarding grants to selected applicants. The Louisiana Economic Development Corporation, hereinafter referred to as "corporation", ~~in conjunction with the Louisiana State University and Agricultural and Mechanical College Louisiana Technology Transfer Office, hereinafter referred to as "LTTO",~~ shall administer awards to selected applicants in the form of grants. The ~~LTTO~~ **corporation** shall establish criteria for grant eligibility, provide for an application process, and select eligible Louisiana business applicants to receive monies from the fund.

F. Up to one hundred fifty thousand dollars shall be annually disbursed from

1 the fund as follows:

2 * * *

3 (3) Up to thirty thousand dollars shall be appropriated to the ~~LEED~~
4 **corporation** for the purpose of funding technical assistance, outreach programs, and
5 program-related promotions.

6 Section 5. R.S. 36:106 and 107 are hereby repealed.

7 Section 6. R.S. 51:2314 is hereby repealed.

8 Section 7. The positions of members of the board of the directors of the Louisiana
9 Economic Development Corporation serving on the effective date of this Act whose terms
10 have expired shall be considered vacant.

11 Section 8. At the expiration of the terms of the members of the board of directors
12 serving on the effective date of this Act, or in the event of any vacancy on the board of
13 directors, successors shall be appointed and serve for terms in accordance with R.S. 51:2311.

14 Section 9. The Louisiana Law Institute is hereby directed to change all references to
15 the "Department of Economic Development" to "Louisiana Economic Development"
16 throughout the Louisiana Revised Statutes of 1950.

17 Section 10. This Act shall become effective upon signature by the governor or, if not
18 signed by the governor, upon expiration of the time for bills to become law without signature
19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
20 vetoed by the governor and subsequently approved by the legislature, this Act shall become
21 effective on the day following such approval.

The original instrument was prepared by Michelle D. Ridge. The following digest, which does not constitute a part of the legislative instrument, was prepared by Xavier Alexander.

DIGEST

SB 494 Engrossed 2024 Regular Session Mizell

Present law establishes the Department of Economic Development (department) as one of the twenty departments of the executive branch.

Proposed law renames the Department of Economic Development to Louisiana Economic Development (LED).

Present law provides for the purposes and functions of the department.

Proposed retains present law and provides that LED may establish a nonprofit corporation to assist with state economic development and to engage in any lawful activity as provided in present law.

Proposed law provides that the nonprofit corporation may engage in cooperative endeavors with the federal government for the purposes of participating in any federal program for which it may become eligible and any other funding source including LED. Provides that the members of the board of directors shall be established in the articles of incorporation and bylaws of the nonprofit corporation.

Present law provides for officers of the department, including the secretary, undersecretary, deputy secretary if appointed, and assistant secretaries.

Proposed law removes the present law references to the positions of undersecretary and assistant secretaries.

Proposed law provides that neither the secretary nor the deputy secretary shall be a statewide elected official.

Present law provides for powers, duties, and authority of the secretary.

Proposed law retains present law and adds:

- (1) The secretary, in cooperation with the federal government and with other state and local agencies in matters of mutual concern, direct an office within LED to develop and implement a plan to actively seek federal, private, and other grants to support the activities of LED and advance the economic growth and prosperity of the state.
- (2) The secretary shall develop a comprehensive strategic plan and long range economic development plan in consultation with, and advice from, the La. Economic Development Program.
- (3) The secretary shall have the authority to enter into negotiated settlement agreements for all statutory incentive programs administered by LED, with the approval of the secretary of Dept. of Revenue and the governor.

Proposed law creates the La. Economic Development Partnership as an advisory committee to LED and provides for membership of the committee.

Present law provides relative to procurement, generally, and the process for state agencies in the executive branch to procure information technology.

Proposed law retains present law but provides that present law, including the oversight and procurement authority of the chief information officer and the office of technology services, does not apply to the purchase, lease, and rental of all information technology equipment, related services, and software by LED. Provides that LED shall be subject to administrative rules and regulations adopted for the procurement of information technology equipment and office of technology services, related services, and software.

Present law provides relative to monies in the Marketing Fund, which provides for an appropriation be made from this fund to LED for certain purposes, including one million dollars annually to be used for marketing education.

Proposed law changes the purpose of the annual one million dollar appropriation from marketing education to regional or local economic development marketing, following guidelines to be developed by the secretary for objective, performance-based criteria for the distribution of the one million dollars.

Present law provides relative to the Louisiana Economic Development Corporation (corporation) and provides for its membership, duties, powers, and function. Provides for the following members:

- (1) The secretary of LED or his designee.
- (2) One minority member who is appointed from a list of three private sector individuals submitted by La.-based organizations representing minority business interests.
- (3) One member who is appointed from a list of three private sector individuals submitted by the La. Chapter of the AFL-CIO.
- (4) One member who is appointed from a list of three private sector individuals submitted by the La. Retailers Association.
- (5) One member who is appointed from a list of three private sector individuals submitted by the La. Bankers Association.
- (6) One member who is appointed from a list of three private sector individuals employed at community banks submitted by the La. Bankers Association.
- (7) One member who is appointed from a list of three private sector individuals submitted by the Society of La. Certified Public Accountants.
- (8) One female member who is appointed from a list of three private sector individuals representing women's business interests.
- (9) One member representing the La. venture capital industry or the La. angel investor community.
- (10) One member who is appointed from a list of three private sector individuals submitted by and currently serving on the La. Workforce Investment Council Board.

Proposed law retains the secretary of LED or his designee on the commission and changes qualifications of certain members and removes nominating bodies as follows:

- (1) One minority business owner or private sector individual representing minority business interests.
- (2) One private sector individual with experience as a startup founder.
- (3) One private sector individual with experience in regional economic development.
- (4) One private sector individual with experience from within a community bank, community development financial institution, or credit union.
- (5) One private sector individual with experience in commercial banking.
- (6) One private sector individual with experience in local economic development.
- (7) One female business owner or private sector individual representing women's business interests.
- (8) One private sector individual with experience in venture or angel investing.
- (9) One private sector individual appointed at large.

Proposed law provides for appointments and term limits of members of the corporations, a

quorum, and vacancies.

Present law provides for power and authority of the corporation.

Proposed law retains present law and further provides that the corporation has the power to direct the state treasurer to invest, in a separate portfolio, the funds received for LED from any federal agency in accordance with federal guidelines. All investment income, net of investment expenditures, shall be credited to LED to be used as program revenue for associated funding.

Present law allows the corporation to establish a nonprofit corporation to qualify as a state development company to engage in cooperative endeavors with the federal government for the purposes of participating in loan programs authorized by federal law.

Proposed law repeals present law.

Present law provides for the Small Business Innovation Fund and requires the corporation to work in conjunction with LSU La. Technology Transfer Office.

Proposed law removes present law provision requiring the corporation to work in conjunction with LSU La. Technology Transfer Office.

Proposed law directs the La. Law Institute to change references to "Department of Economic Development" to "Louisiana Economic Development" throughout the La. Revised Statutes of 1950.

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

(Amends R.S. 36:4(A)(2), 101(A), 102, 104(A)(6), R.S. 47:318(B)(2)(intro para) and 318(B)(2)(a), and R.S. 51:2311(A)(2) and (B), 2403(E) and (F)(3); adds R.S. 36:101(D), 104(A)(16) and (B)(10), and 110, R.S. 39:196(D) and 1554(T), R.S. 51: 2312(D)(15) and 2315(D); repeals R.S. 36:106 and 107 and R.S. 51:2314)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Allows the secretary to negotiate settlement agreements for all statutory incentive programs administered by LED.
2. Provides that the secretary shall serve as an ex-officio and a nonvoting committee member of the LED partnership.
3. Removes the requirement to transfer any unobligated general funds appropriated to LED at the end of the fiscal year to the La. Economic Development Fund.
4. Exempts the purchase, lease, and rental of all information technology equipment, related services, and software by LED from the oversight and procurement authority of the office of technology services.
5. Provides that the corporation has the power to direct the state treasurer to invest in funds received for LED from any federal agency.
6. Makes technical changes.