HLS 13RS-903 ENGROSSED

Regular Session, 2013

HOUSE BILL NO. 571

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### BY REPRESENTATIVE ROBIDEAUX

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

AN ACT

TAX/TAX REBATES: Provides relative to rebates and rebate programs

2	To amend and reenact R.S. 51:1787(A)(3) and (B)(3) and 1791, relative to rebates and
3	rebate programs, to provide requirements for rebate contracts; to provide for the
4	administration of rebate programs; to authorize the promulgation of rules and
5	regulations; to provide for effectiveness; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 51:1787(A)(3) and (B)(3) and 1791 are hereby amended and
8	reenacted to read as follows:
9	§1787. Incentives
10	A. The board, after consultation with the secretaries of the Department of
11	Economic Development and Department of Revenue, and with the approval of the
12	governor, may enter into contracts not to exceed five years to provide:
13	* * *
14	(3) The tax credit provided in Paragraph (2) of this Subsection shall be
15	applicable only to a position within the state that did not previously exist in the
16	business enterprise and that is filled by a person who is a citizen of the United States
17	and who is domiciled in Louisiana, or who is a citizen of the United States and
18	becomes domiciled in Louisiana within sixty days after his employment in such
19	position, performing duties in connection with the operation of the business

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enterprise either as a regular, full-time employee or as a part-time employee

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

employed for at least twenty hours per week for at least six months during the
taxable year. The total number of credits allowed to a business enterprise for
employees who are citizens of the United States and who become domiciled in
Louisiana within sixty days after employment shall not exceed fifty percent of the
total number of credits allowed to the business enterprise under the contract.
B. The board may enter into the contracts provided in Subsection A of this
Section provided that:
* * *
(3)(a) The business certifies that at least thirty-five fifty percent of its
employees:
(a)(i) Are residents of either:
(i) (aa) Any enterprise zone in Louisiana for a business located in an urban
enterprise zone, or a business not located in either an enterprise zone or an economic
development zone.
(ii) (bb) The same parish as the location of the business, or any enterprise
zone in Louisiana, for a business located in a rural enterprise zone, an economic
development zone, or an enterprise zone in Calcasieu Parish.
(b) (ii) Were receiving some form of public assistance prior to employment.
(e) (iii) Were considered unemployable by traditional standards, or lacking
in basic skills.
(d) (iv) Any combination of the above.
(b) In addition to the requirements of Subparagraph (a) of this Paragraph,
eligibility for a retail business which is located in an enterprise zone and has more
than one hundred employees nationwide including affiliates prior to the contract
effective date shall be limited to grocery stores and pharmacies, as such terms are
defined by the department by rules promulgated in accordance with the
Administrative Procedure Act.

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1	(c) Such certification The certifications required by Subparagraph (a) of this
2	Paragraph shall be updated annually if the business is to continue receiving the
3	benefits of this Chapter.
4	* * *
5	§1791. Certain parishes; rural enterprise zones
6	Notwithstanding any other provision of law to the contrary, any parish with
7	a population of seventy-five thousand or less according to the latest federal census
8	shall be authorized to establish at least one rural enterprise zone and one economic
9	development zone which do not otherwise qualify for an enterprise zone or an
10	economic development zone under the criteria established pursuant to this Chapter
11	subject to approval by the department and the Board of Commerce and Industry.
12	Any enterprise zone or economic development zone established pursuant to this
13	Section shall comply with all other requirements of law as established by this
14	Chapter, including but not limited to the provisions of R.S. 51:1785, 1786, and 1787
15	insofar as those provisions are otherwise applicable to enterprise zones and economic
16	development zones.
17	Section 2. The provisions of this Act shall apply to the renewal of any
18	existing contract occurring on or after the effective date of this Act, and any new
19	contract entered into on or after the effective date of this Act.
20	Section 3.(A) This Act shall become effective upon signature by the

Section 3.(A) This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

(B) This Act shall take effect and become operative only if the proposed amendments of the Constitution of Louisiana contained in the Joint Resolutions which originated as House Bill Nos. 434, 435, and 436 of this 2013 Regular Session of the Legislature are concurred in by both houses of the legislature and House Bill

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Nos. 1, 437, 456, 474, 571, 620, 653 and 696 of this 2013 Regular Session of the

Legislature are enacted into law.

#### **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)]

Robideaux HB No. 571

**Abstract:** Changes eligibility for participation in the Enterprise Zone Program with respect to part-time employees and big box stores.

<u>Present law</u> establishes the Enterprise Zone Program which provides for tax credits and rebates for eligible businesses.

<u>Present law</u> grants benefits under the program based on numbers of jobs. Part-time jobs may be counted for purposes of eligibility.

<u>Proposed law</u> deletes <u>present law</u> authorizing participation based on part-time employees.

<u>Present law</u> provides for specific eligibility criteria with respect to employees for jobs which are eligible for program benefits.

<u>Proposed law</u> adds a limitation on eligibility for retail businesses. If such a business has more than 100 employees nationwide, it must be a pharmacy or grocery store to participate in an enterprise zone.

Effective if the proposed amendments of the La. Const. contained in the Joint Resolutions which originated as HB Nos. 434, 435, and 436 of the 2013 R.S. are concurred in by both houses of the legislature and HB Nos. 1, 437, 474, 620, 653, 696, 697, 712, and 716, and either HB Nos. 571 or 655, or both, of this 2013 R.S. are enacted into law.

(Amends R.S. 47:1787(A)(3) and (B)(3) and 1791)

### Summary of Amendments Adopted by House

# House Floor Amendments to the original bill.

- 1. Changes eligibility provisions of the Enterprise Zone Rebate Program.
- 2. Deletes part-time employees from eligibility for participation in the enterprise zone program.
- 3. Adds limitation on the participation of certain large retail businesses in the enterprise zone program.
- 4. Adds effectiveness provisions, including contingencies regarding other legislation.