AN ACT

To amend and reenact R.S. 15:711(B) and 1111(B), R.S. 38:2261, R.S. 39:1594(J)(1) and 1604.4, and R.S. 47:34(C)(2)(d)(i), 287.749(C)(2)(d)(i), 302(BB)(95), 305.38, 321(P)(95), 321.1(I)(95), 331(V)(95), and 337.9(D)(17) and to repeal R.S. 23:3024 and 3025 and R.S. 39:1554(D)(1)(b), relative to the preference for goods manufactured or services performed; to provide for employment of individuals with disabilities; to provide for the creation of a council; to provide for certain definitions; to provide for the exemption of competitive bidding requirements; to provide for tax credits; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 15:711(B) and 1111(B) are hereby amended and reenacted to read as follows:

§711. Work release program

* * *

B. Each sheriff shall establish written rules for the administration of the work release program and shall determine those inmates who may participate in the release program, except that no inmate may participate in the program if his sentence so stipulates. Inmates sentenced to the Department of Corrections who are in the custody of the sheriff shall not be eligible for work release unless such inmates are in compliance with standards for work release within the department and written approval of the secretary of the department is obtained. If any inmate violates the
conditions prescribed by the sheriff, his work release privileges may be withdrawn.

Failure to report to or return from the planned employment shall be considered an escape under the provisions of R.S. 14:110. The sheriff may approve as work release privileges, placement in universities, colleges, technical, vocational or trade schools or in sheltered workshops or supported employment providers as defined in R.S. 39:1604.4, or in training programs designed to improve the skills and abilities of the inmate.

§1111. Work release program

B. The department shall establish rules for the administration of the work release program and shall determine those inmates who may participate in the release program. Any inmate sentenced to imprisonment at hard labor shall be eligible at any time during his sentence to participate in the work release program, subject to the provisions of this Part. If any inmate violates the conditions prescribed by the department, his work release privileges may be withdrawn. Failure to report to or return from the planned employment shall be considered an escape under the provisions of R.S. 14:110. The department may approve as work release privileges, placement in universities, colleges, technical, vocational or trade schools, or in sheltered workshops or supported employment providers as defined in R.S. 39:1604.4, or in training programs designed to improve the skills and abilities of the inmate.

Section 2. R.S. 38:2261 is hereby amended and reenacted to read as follows:

§2261. Preference for goods manufactured, or services performed, by sheltered workshops by individuals with disabilities through supported employment providers; non-applicability of competitive bidding requirements; coordinating council

A. Every agency, board, commission, department, or other instrumentality of the state as defined in R.S. 39:1556 shall give a preference in its purchasing

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practices to goods manufactured and services performed by individuals with severe
disabilities in state-operated and state-supported sheltered workshops through
supported employment providers.

B. The requirements for competitive bidding contained in Part II of this
Chapter shall be inapplicable to cases in which an agency, board, commission,
department, or other instrumentality of the state can utilize as defined in R.S.
39:1556 uses goods manufactured, or services performed, by individuals with severe
disabilities in state-operated and state-supported sheltered workshops through
supported employment providers, provided the goods manufactured or services
performed are equal in quality and reasonable in the rate charged based upon those
goods and services available from other providers.

C. The provisions of this Section shall not be construed to limit or otherwise
affect the provisions of R.S. 23:3024 and 23:3025 regarding the sheltered industries
program for individuals who are blind.

D. There is created within the Louisiana Department of Health a council
whose function shall be to The State Use Council for the Purchase of Goods and
Services Provided by Individuals with Disabilities established pursuant to R.S.
39:1604.4(B) shall coordinate and facilitate the carrying out of the provisions of this
Section. The membership of this council shall be determined by the secretary of the
Louisiana Department of Health.

E. For the purposes of this Section, the following terms are defined as
follows:

(1) “Direct labor” means all labor involved in the manufacture of goods or
the performance of services except for supervision, instruction, administration, and
shipping. “Goods manufactured and services performed by individuals with
disabilities” shall have the meaning as defined in R.S. 39:1604.4(D).

(2) “Goods manufactured and services performed by individuals with severe
disabilities” means goods and services for which not less than seventy-five percent
of the man-hours of direct labor required for manufacture or performance is provided

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by individuals with severe disabilities. "Individuals with disabilities" shall have the meaning as defined in R.S. 39:1604.4(D).

(3) "Individuals with severe disabilities" means individuals with a physical, mental, or substance abuse disability which constitutes a substantial obstacle to their employment and is of such a nature as to prevent an individual from engaging in normal competitive employment. "Supported employment provider" shall have the meaning as defined in R.S. 39:1604.4(D).

(4) "Qualified nonprofit agency for individuals with severe disabilities" means an agency that:

(a) Is incorporated under the Louisiana Nonprofit Corporation Law and operated in the interests of individuals with severe disabilities, and the income of which does not inure in whole or in part to the benefit of any shareholder or other private individual.

(b) Complies with any applicable occupational health and safety standards provided by the statutes or regulations of this state or of the United States.

(5) "Sheltered workshop" means a facility designed to provide gainful employment for individuals with severe disabilities who cannot be absorbed into the competitive labor market or to provide interim employment for such individuals when employment opportunities for them in the competitive labor market do not exist.

(6) "State-operated sheltered workshop" means a sheltered workshop staffed by state agency personnel.

(7) "State-supported sheltered workshop" means a sheltered workshop funded in whole or in part by the state and staffed by personnel from a qualified nonprofit agency for individuals with severe disabilities.

Section 3. R.S. 39:1594(J)(1) and 1604.4 are hereby amended and reenacted to read as follows:

§1594. Competitive sealed bids

* * *

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J. Exemption.

(1) Purchases of goods manufactured by or services performed by individuals with severe disabilities in state-operated and state-supported sheltered workshops through supported employment providers as defined in R.S. 39:1604.4 shall be exempt from the provisions of this Section. This exemption shall also apply to goods and services procured by purchase order directly from a central nonprofit agency contracting under R.S. 39:1604.4 to assist qualified sheltered workshops; any purchase order shall be issued directly to the central nonprofit agency for all goods and services within the exemption provided under this Subsection supported employment providers.

* * *

§1604.4. Preference for goods manufactured, or services performed, by sheltered workshops by individuals with disabilities through supported employment providers; definitions; coordinating council

A. Every governmental body agency shall give a preference in its purchasing practices to goods manufactured and services performed by individuals with severe disabilities in state-operated and state-supported sheltered workshops through supported employment providers, provided such goods manufactured or services performed are equal in quality and reasonable in the rate charged based upon those goods and services available from other providers.

B. The provisions of this Section shall not be construed to limit or otherwise affect the provisions of R.S. 23:3024 and 3025 regarding the sheltered industries program for individuals who are blind.

council. There is hereby created within the Louisiana Department of Health, a council the "State Use Council for the Purchase of Goods and Services Provided by Individuals with Disabilities", hereinafter referred to as "council", whose function shall be to coordinate and facilitate the carrying out of the provisions of this Section and the provisions of R.S. 38:2261. The membership of this council shall be determined by the secretary of the Louisiana Department of Health. It shall have authority to designate and contract with a central nonprofit agency to assist sheltered
workshops in submitting applications for the selection of suitable goods and services,
to facilitate the allocation of orders among qualified sheltered workshops, and
otherwise to assist the council in performing its functions:

(1) The membership of the council shall be determined by the secretary of the
Louisiana Department of Health.

(2) The council shall have authority to designate and contract with a central
nonprofit agency to assist supported employment providers in submitting
applications for the selection of suitable goods and services, to facilitate the
allocation of orders among qualified supported employment providers, and otherwise
to assist the council in performing its functions.

(3) The council shall solicit and evaluate competitive sealed proposals
pursuant to R.S. 39:1595 at least every five years to designate and contract with a
central nonprofit agency.

D. C. The Louisiana Department of Health may adopt, promulgate, and
enforce such rules and regulations as are necessary and appropriate to implement the
provisions of this Section and the provisions of R.S. 38:2261. The regulations shall
be promulgated in accordance with the Administrative Procedure Act, R.S. 49:950
et seq.

E. D. For the purposes of this Section, the following terms are defined as
follows:

(1) "Central nonprofit agency for individuals with disabilities" means an
agency that:

(a) Is incorporated under the Louisiana Nonprofit Corporation Law and
operated in the interests of individuals with disabilities, and the income of which
does not inure in whole or in part to the benefit of any shareholder or other private
individual.

(b) Complies with any applicable occupational health and safety standards
provided by the statutes or regulations of this state and of the United States.

(2) "Client" means an individual with a disability who is employed by a
supported employment provider.
(3) "Direct labor" means all labor involved in the manufacture of goods or the performance of services except for supervision, instruction, administration, and shipping.

(2)(4) "Goods manufactured and services performed by individuals with severe disabilities" means goods and services for which not less than seventy-five forty percent of the man-hours of direct labor required for manufacture or performance is provided by individuals with severe disabilities.

(3) "Qualified nonprofit agency for individuals with severe disabilities" means an agency that:

(a) Is incorporated under the Louisiana Nonprofit Corporation Law and operated in the interests of individuals with severe disabilities, and the income of which does not inure in whole or in part to the benefit of any shareholder or other private individual.

(b) Complies with any applicable occupational health and safety standards provided by the statutes or regulations of this state or of the United States.

(4)(5) "Individuals with severe disabilities" means individuals with a physical, behavioral, developmental, intellectual, sensory, mental, or substance abuse disability addictive disorder which constitutes a substantial obstacle to their employment and is of such a nature as to prevent an individual from engaging in normal competitive employment.

(5)(6) "Sheltered workshop" means a facility designed to provide gainful employment for individuals with severe disabilities who cannot be absorbed into the competitive labor market or to provide interim employment for such individuals when employment opportunities for them in the competitive labor market do not exist. "Supported employment provider" means a nonprofit organization, program, or entity as defined by R.S. 12:201 et seq., which provides gainful, competitive, integrated employment, training, and rehabilitation services for individuals with disabilities in compliance with a central nonprofit agency for individuals with disabilities. In Fiscal Years 2019-2020 and 2020-2021, "supported employment provider" shall also include any sheltered workshop transitioning to a model of
gainful, competitive, integrated employment, training, and rehabilitation services for
individuals with disabilities.

(6) "State operated sheltered workshop" means a sheltered workshop staffed
by state agency personnel.

(7) "State supported sheltered workshop" means a sheltered workshop
funded in whole or in part by the state and staffed by personnel from a qualified
nonprofit agency for individuals with severe disabilities.

Section 4. R.S. 47:34(C)(2)(d)(i), 287.749(C)(2)(d)(i), 302(BB)(95), 305.38,
321(P)(95), 321.1(I)(95), 331(V)(95), and 337.9(D)(17) are hereby amended and reenacted
to read as follows:

§34. Corporation tax credit

* * *

C. Eligible employees are defined as follows:

* * *

(2) A "new economically disadvantaged employee" is a new employee who
is any of the following:

* * *

(d) where such status presents significant barriers to employment:

(i) a client of a sheltered workshop or a supported employment provider as
defined in R.S. 39:1604.4:

* * *

§287.749. Jobs credit

* * *

C. Eligible employees are defined as follows:

* * *

(2) A "new economically disadvantaged employee" means a new employee
who is any of the following:

* * *

(d) where such status presents significant barriers to employment:
(i) a client of a sheltered workshop or a supported employment provider as
defined in R.S. 39:1604.4;

§302. Imposition of tax

BB. Notwithstanding any other provision of law to the contrary, including
but not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
through June 30, 2025, there shall be no exemptions and no exclusions to the tax
levied pursuant to the provisions of this Section, except for the retail sale, use,
consumption, distribution, or storage for use or consumption of the following:

(95) Sales or purchases by sheltered workshops or supported employment
providers as defined in R.S. 39:1604.4, as provided in R.S. 47:305.38.

§305.38. Exclusions and exemptions; sheltered workshop or supported employment
provider for persons with intellectual disabilities
The sale at retail, the use, the consumption, the distribution, and the storage
for use or consumption in this state of each item or article of tangible personal
property by a sheltered workshop or a supported employment provider as defined in
R.S. 39:1604.4 for persons with intellectual disabilities licensed by the Department
of Children and Family Services as a day developmental training center for persons
with intellectual disabilities shall not be subject to the sales and use taxes levied by
the state or by any political subdivision thereof.

§321. Imposition of tax

P. Notwithstanding any other provision of law to the contrary, including but
not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
through June 30, 2025, there shall be no exemptions and no exclusions to the tax
levied pursuant to the provisions of this Section, except for the retail sale, use,
consumption, distribution, or storage for use or consumption of the following:

   *   *   *

(95) Sales or purchases by sheltered workshops or supported employment

providers as defined in R.S. 39:1604.4, as provided in R.S. 47:305.38.

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§321.1. Imposition of tax

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I. Notwithstanding any other provision of law to the contrary, including but
not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
through June 30, 2025, there shall be no exemptions and no exclusions to the tax
levied pursuant to the provisions of this Section, except for the retail sale, use,
consumption, distribution, or storage for use or consumption of the following:

   *   *   *

(95) Sales or purchases by sheltered workshops or supported employment

providers as defined in R.S. 39:1604.4, as provided in R.S. 47:305.38.

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§331. Imposition of tax

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V. Notwithstanding any other provision of law to the contrary, including but
not limited to any contrary provisions of this Chapter, beginning July 1, 2018,
through June 30, 2025, there shall be no exemptions and no exclusions to the tax
levied pursuant to the provisions of this Section, except for the retail sale, use,
consumption, distribution, or storage for use or consumption of the following:

   *   *   *

(95) Sales or purchases by sheltered workshops or supported employment

providers as defined in R.S. 39:1604.4, as provided in R.S. 47:305.38.

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§337.9. Exemptions applicable to local tax in Chapters 2, 2-A, and 2-B; other

exemptions applicable

* * *

D.

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(17) R.S. 47:305.38, "key words": sheltered workshops or supported employment providers as defined in R.S. 39:1604.4, for persons with intellectual disabilities.

* * *

Section 5. R.S. 23:3024 and 3025 and R.S. 39:1554(D)(1)(b) are hereby repealed in their entirety.

Section 6. This Act shall become effective on July 1, 2019; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2019, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________

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