

2023 Regular Session

HOUSE BILL NO. 585

BY REPRESENTATIVE ECHOLS

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

ECONOMIC DEVELOPMENT: Provides relative to economic development

1 AN ACT

2 To enact R.S. 36:109(B)(4) and Chapter 39-D of Title 51 of the Louisiana Revised Statutes
3 of 1950, to be comprised of R.S. 51:2400.1 through 2400.10, relative to creating a
4 council focused on economic development goals; to provide for purpose; to provide
5 for definitions; to provide for the creation of the Council of Economic Prosperity; to
6 provide for composition of the council; to provide for council officers; to provide for
7 the creation of the State Plan for Economic Development; to provide for an annual
8 action plan; to provide for council powers; to provide for the implementation of a
9 master plan and action plans; to provide for the creation of the Advisory Commission
10 on Economic Development; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 36:109(B)(4) is hereby enacted to read as follows:

13 §109. Transfer of boards, commissions, departments, and agencies to Department
14 of Economic Development

15 * * *

16 B. The following agencies are placed within the Department of Economic
17 Development and shall perform and exercise their powers, duties, functions, and
18 responsibilities as provided by law:

19 * * *

20 (4) The Council for Economic Prosperity (R.S. 51:2400.1 et seq.).

21 * * *

1 Section 2. Chapter 39-D of Title 51 of the Louisiana Revised Statutes of 1950,
2 comprised of R.S. 51:2400.1 through 2400.10, is hereby enacted to read as follows:

3 CHAPTER 39-D. COUNCIL FOR ECONOMIC PROSPERITY

4 §2400.1. Purpose

5 The purpose of this Chapter is to ensure that the state engages in
6 comprehensive strategic planning for economic development. This planning should
7 incorporate both long-term vision and short-term operational objectives, fully
8 integrate all state and private sector development entities and programs, and produce
9 a clearly articulated state philosophy on economic development. The strategic plan
10 shall include a set of measurable objectives for the progressive development of the
11 state's economy, business environment, infrastructure, educational systems, human
12 resources, and tax structures, with the goal of steady and predictable economic
13 growth, full employment for all workers, and a responsive state government
14 delivering needed services to our citizens in an efficient and cost-effective way.

15 §2400.2. Definitions

16 As used in this Chapter, notwithstanding any laws to the contrary, the
17 following terms have the following meanings ascribed to them:

18 (1) "Accountability" means the method used to measure results.

19 (2) "Action plans" means the detailed descriptions of how strategies will be
20 implemented on an operational basis.

21 (3) "Benchmarking" means the process of rating the state's practices,
22 priorities, and products against the best.

23 (4) "Goals" mean the general end purposes toward which effort is directed.

24 (5) "Mission" means a broad comprehensive statement of the organization's
25 purpose.

26 (6) "Objectives" mean specific and measurable targets for accomplishments.

27 (7) "Philosophy" means the organization's core values, describing how the
28 organization conducts itself carrying out its mission.

29 (8) "Strategies" mean the methods used to accomplish goals and objectives.

1 (9) "Vision" means a compelling conceptual image of the desired future.

2 §2400.3. Council for Economic Prosperity; creation; scope

3 The Council for Economic Prosperity is hereby created and shall be
4 responsible for directing the economic development policymaking and strategic
5 economic development planning of the state. The council shall formulate a
6 comprehensive strategic plan for economic development in this state to be known as
7 the State Plan for Economic Development, and shall work in concert with the
8 Advisory Commission on Economic Development to provide direction and
9 coordination for the implementation of all state measures required or generated by
10 the goals and objectives adopted in the plan.

11 §2400.4. Composition of council; terms; compensation

12 A. The council shall be comprised of seventeen members including the
13 governor and the secretary of economic development. Appointment of members
14 shall begin upon the commencement of the 2024 Regular Session.

15 B. Eleven members shall be appointed by the governor, two members shall
16 be appointed by the president of the Senate, two members shall be appointed by the
17 speaker of the House of Representatives, and shall be subject to Senate confirmation.
18 All members appointed to the council shall serve a four-year term. All gubernatorial
19 appointments shall continue to serve until a successor is appointed.

20 (1) The governor shall appoint members, with inclusion of at least one
21 member from north Louisiana and one member from south Louisiana, as follows:

22 (a) A representative of the venture capital or investment banking community.

23 (b) A representative from the higher education community.

24 (c) A representative from local government.

25 (d) A representative of the agricultural community.

26 (e) A representative of the professional or service community.

27 (f) A representative of the mining industry.

28 (g) A representative of the banking community.

29 (h) A representative of the construction industry.

1 (i) Three manufacturers from three different Standard Industrial
2 Classification Codes.

3 (2) The president of the Senate shall appoint members as follows:

4 (a) One economic development professional from an urban area.

5 (b) One economic development professional from a rural area.

6 (3) The speaker of the House of Representatives shall appoint members as
7 follows:

8 (a) One economic development professional from an urban area.

9 (b) One economic development professional from a rural area.

10 C.(1) The eleven members appointed by the governor shall serve staggered
11 terms so that four appointments shall expire at two years, four appointments shall
12 expire at three years, and three appointments shall expire at four years, from the date
13 of initial appointment.

14 (2) The terms of the members provided for in this Subsection shall be
15 determined by the governor.

16 (3) Thereafter, each appointment shall serve a four-year term.

17 D.(1) Each member appointed to the council or serving ex officio pursuant
18 to this Section may designate another person to represent him on committee work
19 assigned by the council, but may not be represented by another person for meetings
20 of the full council, nor shall any designee be permitted to vote on final adoption of
21 the master plan.

22 (2) A member serving on more than one committee may designate different
23 individuals to represent him on different committees, if each such designee has
24 expertise in the subject matter committee for which he is designated.

25 (3) A member of the executive committee may not designate a representative
26 for participation on the executive committee.

27 (4) The chairman may designate a representative for any meeting, duty, or
28 responsibility pursuant to his membership on the council, except, notwithstanding
29 any provision of law to the contrary, the chairman shall not designate a

1 representative to chair the full council meeting at which final adoption of the master
2 plan is considered and voted upon. The chairman shall personally preside over such
3 a meeting.

4 §2400.5. Council officers; quorum; compensation; meetings

5 A.(1)(a) The secretary of the Department of Economic Development shall
6 serve as chairman of the council.

7 (b) The vice chairman shall be elected by the council from among those
8 members.

9 (2) The secretary of the Department of Economic Development shall
10 coordinate and supervise all staff work, including the work of staff on loan or
11 assignment from other agencies of government or the private sector, at the direction
12 of the executive committee of the council.

13 B. Nine members of the council shall constitute a quorum.

14 C. Members of the council shall serve without compensation, but each
15 member shall be entitled to reimbursement of actual and necessary expenses incurred
16 in the performance of official duties in accordance with state travel regulations.

17 D.(1) The full council shall meet quarterly, but shall have authority to meet
18 at such other times as deemed necessary by either the governor, the executive
19 committee, or a majority of the members.

20 (2) Only one of the mandatory quarterly meetings shall take place in Baton
21 Rouge. The other three meeting places will be determined by the chairman of the
22 council.

23 §2400.6. State Plan for Economic Development; plan components; submission;
24 adoption

25 A. The Council for Economic Prosperity shall formulate and establish the
26 state's economic development policy and coordinate and ensure its implementation
27 through the Department of Economic Development, the office of the governor, and
28 the division of administration.

1 B. The council shall formulate the State Plan for Economic Development
2 herein referred to as the "state plan", which shall include, at a minimum, all of the
3 following:

4 (1) The vision, mission, and philosophy of the state in achieving economic
5 prosperity, a robust business climate, and high-quality employment opportunities for
6 all citizens.

7 (2) An economic model for this state for a twenty-year period, divided into
8 five-year incremental planning and benchmarking periods.

9 (3) An analysis of the current global, hemispheric, and national economies,
10 their impact on the economy of this state, and the nature of the competitive
11 environment within which the state work force and business community must
12 compete.

13 (4) An analysis of broad trends of economic change on the national and
14 regional levels in the United States.

15 (5) A comprehensive needs assessment and baseline analysis of the state's
16 infrastructure, business climate, transportation network, economic policy,
17 educational systems, natural resources, rural development, economic mix, tax
18 structures, revenue stream, industrial inducements and incentives, and manufacturing
19 base. This analysis shall also assess the state's strengths and weaknesses relative to
20 the external economic environment.

21 (6) An analysis of the sustainability of the current state's economy over time.

22 A twenty-year state plan, divided into five-year increments, with goals and
23 objectives designed to attain an effective diversified economic mix of business and
24 industry which would ensure economic prosperity, full employment, resistance to
25 recession, and consistent growth consonant with national and global trends.

26 (7) Broad strategies, which when implemented, will permit the state to fulfill
27 goals and objectives of the economic vision set forth in the state plan. In
28 consultation with the Advisory Commission on Economic Development, the council
29 shall submit an outline of how the overall master state plan and five-year objectives

1 will be implemented through the submission of an annual Economic Development
2 Action Plan herein referred to as the "action plan". The action plan shall include
3 strategies and action plans developed by the various departments and approved by
4 the governor.

5 (8) A comprehensive benchmarking and accountability program to measure
6 the performance of the state's economy and work force and measure the effectiveness
7 of and progress toward achieving the objectives of each strategy and action plan.

8 C. The council or the executive committee shall hold at least two public
9 hearings for the specific purpose of gathering the testimony of the general public on
10 the master state plan, in order to allow citizens to have input prior to submission of
11 the state plan to the legislature for approval.

12 D.(1) The council shall adopt the final plan by a majority vote of the total
13 council membership and shall submit the plan to the legislature for approval or
14 rejection.

15 (2) The plan shall be submitted to the governor, the president of the Senate,
16 the speaker of the House of Representatives, the chairman of the Senate Committee
17 on Commerce, Consumer Protection, and International Affairs, and the chairman of
18 the House Committee on Commerce no later than July 1, 2024.

19 (3)(a) The legislature shall, by majority vote of the membership of each
20 house, adopt a concurrent resolution to accept, reject, or return the master plan to the
21 council for revision.

22 (b) Any rejected or revised plan which is resubmitted when the legislature
23 is not in session, or is in session but is constitutionally prohibited from considering
24 a resolution of adoption, may be adopted by a majority vote of the House of
25 Representatives and of the Senate through a written ballot procedure.

26 E. The state plan shall be updated and resubmitted every five years,
27 commencing with the July 1, 2024, initial submission. The reformulation and
28 updating of the master state plan every five years shall incorporate a new twenty-
29 year time frame, also divided into five-year components.

1 §2400.7. Annual action plan

2 A. On the first of July of each year following submission of the original state
3 master plan, the council shall submit an annual report and the action plan to the
4 governor, the president of the Senate, the speaker of the House of Representatives,
5 the chairman of the Senate Committee on Commerce, Consumer Protection, and
6 International Affairs, and the chairman of the House Committee on Commerce.

7 B. The annual action plan shall include, at the minimum, all of the following:

8 (1) A report of council work, deliberations, and actions during the prior year.

9 (2) A comprehensive program of recommended strategies and action plans
10 for implementation in the next state fiscal year, including but not limited to
11 budgetary, legislative, regulatory, program, and private sector initiatives. Each
12 strategy and action plan shall have measurable goals and objectives which are fully
13 integrated into the master plan benchmarking and accountability model.

14 (3) An overview of the benchmarking and accountability program and
15 presentation of the results obtained during the prior year.

16 (4) An analysis of the strengths and weaknesses of all initiatives, operational
17 strategies, and action plans implemented in the prior year.

18 (5) An explanation of why any strategies or initiatives were not implemented
19 or failed, and recommendations on how to achieve their successful implementation.

20 (6) An analysis of changes and trends in the external economic environment.

21 §2400.8. Additional council powers and duties; executive committee,
22 subcommittees

23 A. The council shall, consistent with the state plan, establish guidelines in
24 accordance with the Administrative Procedure Act by which all economic
25 development funding, awards, grants, incentives, and guarantees are prioritized,
26 whether such issue from the office of the secretary, any other office of the
27 department, or through any program of the Louisiana Economic Development
28 Corporation.

1 B.(1) The council shall establish a seven-member executive committee, to
2 be chaired by the vice chairman of the council, which shall have authority to call
3 meetings of the council, establish committee schedules, direct the work of staff on
4 loan or assignment, meet with the governor and the Advisory Commission on
5 Economic Development, and represent the council before the legislature.

6 (2) The executive committee shall have authority to divide the work of the
7 council into discrete areas and to establish and appoint subcommittees as follows:

8 (a) Infrastructure.

9 (b) Education and work force training.

10 (c) Taxation and state revenue.

11 (d) Finance and capital.

12 (e) Economic development programs and incentives.

13 (f) Economic modeling and diversification.

14 (g) Rural development.

15 (h) Regional Economic Development, which shall include members that
16 represent all of the following regions:

17 (i) Acadiana.

18 (ii) Bayou.

19 (iii) Capital.

20 (iv) Central.

21 (v) Northeast.

22 (vi) Northwest.

23 (vii) Southeast.

24 (viii) Southwest.

25 (i) Any other committees deemed appropriate.

26 (3)(a) The executive committee shall meet at least once quarterly with the
27 Advisory Commission on Economic Development to exchange information and
28 facilitate implementation strategies.

1 (b) The executive committee may request assignment of one staff member
2 from each agency represented on the advisory group for utilization on an ad hoc
3 basis with the council or a subcommittee of the council.

4 C. The council shall have authority to promulgate all rules, regulations, and
5 procedures, and to hold hearings, as it deems necessary and appropriate to its
6 responsibilities and charge, pursuant to the Administrative Procedure Act.

7 §2400.9. Implementation of master plan and action plans

8 A. The governor shall direct all appropriate agency heads to implement all
9 budgetary, regulatory, and programmatic strategies and actions recommended in the
10 state plan and in each annual action plan, subject to constitutional restrictions.

11 B. The commissioner of administration shall implement, as directed by the
12 governor, all budgetary and programmatic strategies and actions recommended in
13 each annual action plan and shall require their inclusion by any impacted department
14 in all appropriate budget, program, and planning documents. All such strategies and
15 actions having budgetary or programmatic impact shall be included in the
16 preparation and submission of the executive budget to the legislature.

17 §2400.10. Advisory Commission on Economic Development

18 A. The Advisory Commission on Economic Development, herein referred
19 to as the "advisory commission", shall be comprised of the following ex officio
20 members:

- 21 (1) Lieutenant governor or his designee.
22 (2) Secretary of the Department of Economic Development or his designee.
23 (3) Commissioner of the division of administration or his designee.
24 (4) Secretary of the Department of Transportation and Development or his
25 designee.
26 (5) Secretary of the Louisiana Workforce Commission or his designee.
27 (6) Secretary of the Department of Natural Resources or his designee.
28 (7) Secretary of the Department of Environmental Quality or his designee.
29 (8) Superintendent of education or his designee.

1 (9) State treasurer or his designee.

2 (10) Commissioner of the Department of Agriculture and Forestry or his
3 designee.

4 (11) Secretary of the Department of Children and Family Services or his
5 designee.

6 B.(1) The advisory commission shall advise, coordinate with, and provide
7 research, information, and staff support to the Council for Economic Prosperity upon
8 the request of the council or executive committee.

9 (2) The commissioner of administration shall assign a staff member with
10 expertise in strategic planning to the advisory group.

11 (3) The secretary of the Department of Economic Development shall assign
12 a staff member with expertise in strategic planning who is part of the master state
13 plan staff team to the advisory group, and shall act as administrator of the advisory
14 commission.

15 C. The advisory commission shall meet quarterly with the executive
16 committee of the council to exchange information and facilitate implementation of
17 the master state plan and annual action plans.

18 D. Each member of the advisory commission shall, as directed by the
19 governor, direct the implementation of the policies, directives, and components of
20 the state plan and any budgetary, legislative, regulatory, or program initiative
21 contained in an action plan which would affect or require the action of the agency
22 of his responsibility and charge.

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)]

HB 585 Reengrossed 2023 Regular Session Echols

Abstract: Creates a council focused on economic development goals.

Proposed law provides for purpose of proposed law.

Proposed law defines "accountability", "action plans", "benchmarking", "goals", "mission", "objectives", "philosophy", "strategies", and "vision".

Proposed law creates the Council for Economic Prosperity and places it with the Dept. of Economic Development.

Proposed law requires the council to consist of 17 members and that members be appointed starting with the commencement of the 2024 Regular Session. The governor, the president of the Senate, and the speaker of the House shall appoint members. Other members shall include the governor and the secretary of the Dept. of Economic Development. Council members may designate another person to represent him for work assigned by the council but not for meetings or voting.

Proposed law requires that members of the executive committee may not designate a representative for participation on the executive committee. The chairman may designate a representative except to chair the full council meeting at which final adoption of the master plan is considered and voted upon. The chairman shall preside over such a meeting.

Proposed law requires that the vice chair of the council be elected from the council's members. Quorum for the council shall be nine members. Members shall be compensated for actual and necessary expenses incurred in accordance with state travel regulations.

Proposed law requires that the full council meet at least quarterly. Only one of the mandatory quarterly meetings shall take place in Baton Rouge.

Proposed law creates the State Plan for Economic Development.

Proposed law requires that the Council for Economic Prosperity shall formulate and establish the state's economic development policy and coordinate and ensure its implementation through the Dept. of Economic Development, the office of the governor, and the division of administration. The council shall formulate the State Plan for Economic Development which shall include among other elements:

- (1) The vision, mission, and philosophy of the state in achieving economic prosperity, a robust business climate, and high quality employment opportunities for all La. citizens.
- (2) An economic model for La. for a twenty-year period, divided into five-year incremental planning and benchmarking periods.
- (3) An analysis of the current global, hemispheric, and national economies and their impact on the economy of La.
- (4) An analysis of broad trends of economic change on the national and regional levels in the U.S.
- (5) A comprehensive needs assessment and baseline analysis of the La. industries.
- (6) An analysis of the sustainability of the current La. economy over time. A twenty-year plan, divided into five-year increments, with goals and objectives designed to attain economic prosperity.
- (7) Broad strategies that will permit the state to fulfill goals and objectives of the economic vision set forth in the plan. In consultation with the cabinet advisory group, the council will also submit an outline of how the overall master plan and five-year objectives will be implemented through the submission of an annual Economic Development Action Plan. The action plan shall include strategies and action plans developed by the various departments and approved by the governor.

- (8) A comprehensive benchmarking and accountability program to measure the performance of the La. economy and work force and measure the effectiveness of and progress toward achieving the objectives of each strategy and action plan.

Proposed law requires that the council or the executive committee shall hold at least two public hearings to gather the testimony of the public on the master plan.

Proposed law requires that the council shall adopt the final plan by a majority vote of the total council membership and shall submit the plan to the legislature for approval or rejection. The plan shall be submitted to the governor, the president of the Senate, the speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, Consumer Protection, and International Affairs, and the chairman of the House Committee on Commerce no later than July 1, 2024. The legislature shall, by majority vote of the membership of each house, adopt a concurrent resolution to accept, reject, or return the master plan to the council for revision. Any rejected or revised plan which is resubmitted when the legislature is not in session, or is in session but is constitutionally prohibited from considering a resolution of adoption, may be adopted by a majority vote of the House of Representatives and of the Senate through a written ballot procedure.

Proposed law requires that the State Plan for Economic Development shall be updated and resubmitted every five years, commencing with the July 1, 2024, initial submission.

Proposed law creates an annual action plan. On the first of July of each year following submission of the original master plan, the council shall submit an annual report and plan to be known as the Economic Development Action Plan to the governor, the president of the Senate, the speaker of the House of Representatives, the chairman of the Senate Committee on Commerce, Consumer Protection, and International Affairs, and the chairman of the House Committee on Commerce.

Proposed law requires that the annual action plan shall include the following, among other elements:

- (1) A report of council work, deliberations, and actions during the prior year.
- (2) A comprehensive program of recommended strategies and action plans for implementation in the next state fiscal year. Each strategy and action plan shall have measurable goals and objectives which integrated into the master plan benchmarking and accountability model.
- (3) An overview of the benchmarking and accountability program and presentation of the results obtained during the prior year.
- (4) An analysis of the strengths and weaknesses of all initiatives, operational strategies, and action plans implemented in the prior year.
- (5) An explanation of why any strategies or initiatives were not implemented or failed, and recommendations on how to achieve their successful implementation.
- (6) An analysis of changes and trends in the external economic environment.

Proposed law requires that the council shall establish guidelines in accordance with the Administrative Procedure Act by which all economic development funding, awards, grants, incentives, and guarantees are prioritized, whether such issue from the office of the secretary, any other office of the department, or through any program of the La. Economic Development Corporation.

Proposed law requires that the council shall establish a seven-member executive committee, to be chaired by the vice chairman of the council, which shall have authority to call meetings

of the council, establish committee schedules, direct the work of staff on loan or assignment, meet with the governor and the Advisory Commission on Economic Development, and represent the council before the legislature.

Proposed law states that the executive committee shall have authority to divide the work of the council into discrete areas and to establish and appoint subcommittees.

Proposed law requires that the executive committee shall meet at least once quarterly with the Advisory Commission on Economic Development to exchange information and facilitate implementation strategies. The executive committee may request assignment of one staff member from each agency represented on the advisory group for utilization on an ad hoc basis with the council or a subcommittee of the council.

Proposed law provides that the council shall have authority to promulgate all rules, regulations, and procedures, and to hold hearings, as it deems necessary and appropriate to its responsibilities and charge, pursuant to the Administrative Procedure Act.

Proposed law requires that the governor shall direct all appropriate agency heads to implement all strategies and actions recommended in the State Plan for Economic Development and in each annual Economic Development Action Plan, subject to constitutional restrictions.

Proposed law requires that the commissioner of administration shall implement all budgetary and programmatic strategies and actions recommended in each annual action plan and shall require their inclusion by any impacted department in all appropriate documents. Actions having budgetary or programmatic impact shall be included in the preparation and submission of the executive budget to the legislature.

Proposed law creates the Advisory Commission on Economic Development.

Proposed law provides who shall comprise the Advisory Commission on Economic Development.

Proposed law requires that the advisory commission shall advise, coordinate with, and provide research, information, and staff support to the Council for Economic Prosperity upon request. The commissioner of administration shall assign a staff member with expertise in strategic planning to the advisory group. The secretary of the Dept. of Economic Development shall assign a staff member with expertise in strategic planning who is part of the master plan staff team to the advisory group, and shall act as administrator of the Advisory Commission on Economic Development.

Proposed law requires that the advisory commission shall meet quarterly with the executive committee of the council to exchange information and facilitate implementation of the master plan and annual action plans.

Proposed law requires that each member of the advisory commission direct the implementation of the policies, directives, and components of the State Plan for Economic Development and any initiatives contained in an Economic Development Action Plan which would affect or require the action of the agency of his responsibility and charge.

(Adds R.S. 36:109(B)(4) and R.S. 51:2400.1-2400.10)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Place the Council for Economic Prosperity within the Department of Economic Development.
2. Clarify that the chairman shall not designate a representative to chair the full council meeting where the final adoption of the master plan is considered and shall personally preside over such meeting.
3. Clarify that the council shall consult the advisory commission when submitting an outline of the master plan and objectives through the submission of the Economic Development Action Plan.
4. Add a subcommittee for regional economic development under the executive council.
5. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Add that the initial members appointed by the governor to the Council for Economic Prosperity shall have staggered terms.
2. Add that the council shall establish guidelines in accordance with the Administrative Procedure Act by which all economic development funding, awards, grants, incentives, and guarantees are prioritized.
3. Make technical changes.