

Regular Session, 2010

HOUSE BILL NO. 981

BY REPRESENTATIVE GIROD JACKSON

ECONOMIC DEVELOPMENT: Requires the recipient of certain economic development funds to adhere to certain hiring, purchasing, reporting, and repayment conditions

1 AN ACT

2 To enact R.S. 51:933, relative to economic development; to require any business that
3 receives a monetary incentive from the state to secure its presence in this state to
4 enter into a cooperative endeavor agreement with the state; to provide for the
5 minimum content of the cooperative endeavor agreement; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 51:933 is hereby enacted to read as follows:

9 §933. Cooperative endeavor agreement required for businesses receiving state funds

10 Any business that receives a monetary incentive from the state to secure its
11 presence in this state shall enter into a cooperative endeavor agreement with the state
12 prior to receiving the funds. The cooperative endeavor agreement shall include but
13 not be limited to the following terms and requirements:

14 (1) An agreement with a nongovernmental entity for economic development
15 purposes shall contain the specific goals sought to be achieved by the
16 nongovernmental entity and methods for reimbursement to the state if those goals
17 are not met. Further, a nongovernmental entity, other than one participating in a
18 business incubator program, Quality Jobs Program, or Enterprise Zone Program,
19 which defaults on the agreement, breaches the terms of the agreement, ceases to do

1 business, or ceases to do business in Louisiana, shall be required to repay the state,
2 and the agreement shall set out the terms of the repayment.

3 (2) An agreement based on a legislative appropriation to a public or
4 quasi-public agency or entity which is not a state budget unit shall include a
5 comprehensive budget, provided to the agency and the legislative auditor, showing
6 all anticipated uses of the appropriation, an estimate of the duration of the project,
7 and a plan showing specific goals and objectives, including measures of
8 performance. Specific goals set forth shall include goals for utilizing Louisiana
9 Hudson Initiative and Veteran Initiative certified companies.

10 (3) All agreements shall contain a plan to monitor compliance with the terms
11 of the agreement, assigning a particular person within the Department of Economic
12 Development to be responsible for monitoring the agreement. Written reports shall
13 be provided to the Department of Economic Development at least every six months
14 concerning the use of funds and the specific goals and objectives for the use of the
15 funds.

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)]

Girod Jackson

HB No. 981

Abstract: Requires any business that receives a monetary incentive from the state to secure its presence in this state to enter into a cooperative endeavor agreement requiring the business to adhere to certain hiring, purchasing, reporting, and repayment conditions.

Proposed law requires any business that receives a monetary incentive from the state to secure its presence in this state to enter into a cooperative endeavor agreement with the state prior to receiving the funds.

Proposed law provides that the cooperative endeavor agreement shall include but not be limited to the following terms and requirements:

- (1) An agreement with a nongovernmental entity for economic development purposes shall contain the specific goals sought to be achieved by the nongovernmental entity and methods for reimbursement to the state if those goals are not met. Further, a nongovernmental entity, other than one participating in a business incubator program, Quality Jobs Program, or Enterprise Zone Program, which defaults on the agreement, breaches the terms of the agreement, ceases to do business, or ceases to do business in La., shall be required to repay the state, and the agreement shall set out the terms of the repayment.

- (2) An agreement based on a legislative appropriation to a public or quasi-public agency or entity which is not a state budget unit shall include a comprehensive budget, provided to the agency and the legislative auditor, showing all anticipated uses of the appropriation, an estimate of the duration of the project, and a plan showing specific goals and objectives, including measures of performance. Specific goals set forth shall include goals for utilizing La. Hudson Initiative and Veteran Initiative certified companies.

- (3) All agreements shall contain a plan to monitor compliance with the terms of the agreement, assigning a particular person within the Dept. of Economic Development to be responsible for monitoring the agreement. Written reports shall be provided to the Dept. of Economic Development at least every six months concerning the use of funds and the specific goals and objectives for the use of the funds.

(Adds R.S. 51:933)

Summary of Amendments Adopted by House

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

- 1. Changed the minimum terms and requirements to be included in the cooperative endeavor agreement.