

Regular Session, 2012

SENATE BILL NO. 723

BY SENATORS APPEL, CHABERT AND MORRELL AND REPRESENTATIVES
LEGER AND BROSSETT

ECONOMIC DEVELOPMENT. Creates the Louisiana International Trade Initiative (LITI).
(gov sig)

1 AN ACT

2 To enact Chapter 54 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 51:3111 through 3117, relative to the Louisiana International Trade Initiative;
4 to create the Louisiana International Trade Initiative within the Department of
5 Economic Development; to create the Louisiana International Trade Initiative Board;
6 to provide for membership of the board; to provide for powers and duties of the
7 board; to provide for definitions, terms, procedures, and conditions; to provide for
8 development of a master international trade plan and an annual report; to provide for
9 legislative oversight; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. Chapter 54 of Title 51 of the Louisiana Revised Statutes to be comprised
12 of R.S. 51:3111 through 3117 are hereby enacted to read as follows:

13 **CHAPTER 54. LOUISIANA INTERNATIONAL TRADE INITIATIVE**

14 **§3111. Purpose**

15 **The provisions of this Chapter establish the Louisiana International**
16 **Trade Initiative within the Department of Economic Development to serve as**
17 **the authority on behalf of the state to advance the state's international**

1 commerce economic sector. The Louisiana International Trade Initiative shall
2 achieve this objective by utilizing the state's public and private resources to
3 strategically develop and enhance Louisiana's participation and competitiveness
4 in international trade, by attracting foreign and domestic investment and trade
5 related corporate business into the state, and by developing manufacturing,
6 corporate, and service business activity based upon Louisiana's trade economy.

7 §3112. Definitions

8 As used in this Chapter, the following terms shall have the meanings
9 ascribed to them below:

10 (1) "Board" means the Louisiana International Trade Initiative Board.

11 (2) "Department" means the Department of Economic Development.

12 (3) "Initiative" means the Louisiana International Trade Initiative.

13 (4) "International ports" means those ports, commonly known as deep
14 draft ports, whose main function is waterborne commerce, both import and
15 export, directly linked to world commerce. These ports include, but are not
16 limited to, the following:

17 (a) Port of Greater Baton Rouge.

18 (b) Lake Charles Port, Harbor and Terminal District.

19 (c) Port of New Orleans.

20 (d) Plaquemines Port, Harbor and Terminal District.

21 (e) St. Bernard, Harbor and Terminal District.

22 (f) Port of South Louisiana.

23 (5) "Inland ports" means those ports, commonly known as shallow draft
24 ports, engaged in waterborne commerce whose cargoes depend upon import or
25 export through international ports for connection to world markets.

26 (6) "International trade" means a two-tiered, integrated economic
27 sector concentrating upon the state's unique position in world commerce. Tier
28 one shall be defined as business activity in the areas of waterborne or airborne
29 commerce, manufacturing related to imported and exported products and

1 services, other international activities, and corporate business activity resulting
2 from the state's engagement in international commerce. Tier two shall be
3 defined as inland transportation connectors, including water, highway, and rail,
4 air transportation, airborne passenger travel, assembly and distribution, free
5 trade zones, and other support business activities including, but not limited to,
6 finance, insurance, suppliers of materials, legal, insurances, brokerage, freight
7 forwarding, and other such services.

8 (7) "Master plan" means the Master International Trade Plan.

9 (8) "Project" means, but is not limited to, the construction of a physical
10 asset plus associated infrastructure to be used in the course of the business of
11 international trade, a business activity such as a marketing effort or the
12 development of a business relationship, or an executable strategy such as joint
13 ventures between governmental and nongovernmental agencies or businesses.
14 Projects may be undertaken by either the Initiative or another agency as
15 described in this Chapter.

16 §3113. Louisiana International Trade Initiative

17 A. The Louisiana International Trade Initiative is hereby created as an
18 agency within the office of the secretary of the Department of Economic
19 Development.

20 B. The Initiative shall include the secretary, the deputy secretary of
21 international trade, staff of the department assigned to the Initiative, the board,
22 any advisory subcommittee appointed by the chairman on the board, and staff
23 of the board and any advisory subcommittee.

24 §3114. Powers and duties of the secretary and deputy secretary

25 A. The secretary shall administer and enforce the provisions of this
26 Chapter relating to duties and activities of the Initiative, the board, and
27 advisory subcommittees of the board.

28 B. The deputy secretary of international trade shall serve as the
29 executive director of the Initiative and shall report to the secretary. The deputy

1 secretary shall represent the board in all matters assigned to the deputy
2 secretary by the board.

3 **§3115. Louisiana International Trade Initiative Board**

4 **A. The Louisiana International Trade Initiative Board is hereby created**
5 **within the Louisiana International Trade Initiative. The board shall be**
6 **domiciled in Baton Rouge.**

7 **B. The duties of the board shall include the following:**

8 **(1) Develop, coordinate, implement, make reports on, manage, and**
9 **provide oversight for a comprehensive Master International Trade Plan and**
10 **prepare annual reports to the legislature. The comprehensive master plan shall**
11 **position Louisiana as a leader in international commerce and trade and shall**
12 **include a comprehensive strategy addressing all matters of international trade**
13 **and commerce for the state of Louisiana. An annual report shall serve to**
14 **monitor the progress of the implementation of the comprehensive master plan**
15 **and shall be submitted to the legislature for approval as set forth in R.S.**
16 **51:3117.**

17 **(2) Develop and execute a strategy to coordinate planning, marketing,**
18 **and resources between all private or nongovernmental organizations, private**
19 **business interests, international ports, the department, other departments of**
20 **state government, including the Department of Transportation and**
21 **Development, the Department of Agriculture and Forestry, the Department of**
22 **Culture, Recreation and Tourism, and any other federal or state governmental**
23 **agency involved in international commerce.**

24 **(3) Establish criteria for projects to be included in the master plan and**
25 **use this criteria to evaluate and approve projects for inclusion in the master**
26 **plan that are submitted by the organizations provided in Paragraph (B)(2) of**
27 **this Section. Include in the master plan those projects that the board approves**
28 **that are consistent with such criteria. Include in the annual report a detailed**
29 **description of each project included in the master plan, and the current status**

1 of approved projects. Create a mechanism to establish priorities of the
2 approved projects and establish a procedure for the use of the priority system
3 to control the order in which projects included in the master plan are executed.

4 (4) Coordinate and assist the organizations and parties described in
5 Paragraph (B)(2) of this Section in their development and execution of projects
6 that are approved by the board as being consistent with the comprehensive
7 strategy of the master plan and in the priority order established by the board.
8 Such assistance by the board shall include, but not be limited to, coordination
9 between governmental and nongovernmental agencies as well as assistance with
10 the identification of capital resources for the use of organizations that develop
11 projects.

12 (5) Represent the policy and viewpoints of the Initiative at foreign,
13 federal, state, regional, and local levels.

14 (6) Develop and coordinate implementation of a state strategy to attract
15 foreign direct investment and to attract international corporate business to
16 Louisiana.

17 (7) Enter into partnerships, joint ventures, memoranda of
18 understanding, cooperative endeavors, or other similar relationships with local
19 agencies, federal agencies, foreign governments, and state agencies and
20 departments, nongovernmental agencies, and private business interests to
21 implement the master plan. Such state agencies and departments shall include,
22 but are not limited to, the following: the Department of Transportation and
23 Development, the Department of Agriculture and Forestry, and the Department
24 of Culture, Recreation and Tourism.

25 (8) Identify and obtain or assist in obtaining foreign, federal, state, and
26 private funds consistent with the provisions of this Chapter. Such funds shall
27 include funds from matching sources, grants, and donations. Develop and
28 implement methods to self-generate funds. Such funds obtained consistent with
29 the provisions of this Chapter shall be used solely for the operations of the

1 **Initiative and execution of projects by organizations and parties provided in**
2 **Paragraph (B)(2) of this Section that are included in the master plan.**

3 **(9) Identify funding sources for infrastructure that is required to**
4 **support projects or existing facilities and to assist organizations and parties**
5 **provided in Paragraph (B)(2) of this Section to engage in business relationships**
6 **such as public-private partnerships to secure funding for such infrastructure.**

7 **(10) Conduct meetings and hold hearings.**

8 **(11) Adopt rules in accordance with the Administrative Procedure Act**
9 **consistent with the provisions of this Chapter.**

10 **(12) As determined by the board, the chairman shall appoint advisory**
11 **subcommittees to review, evaluate, and report to the board on projects**
12 **proposed for inclusion in the master plan or for other purposes as approved by**
13 **the board. In accordance with the scope of the subcommittee's work such**
14 **subcommittees may include non-board personnel and may engage outside**
15 **experts. Every effort shall be made to use the staff of the Initiative, department,**
16 **international ports, nongovernment organizations, or state universities prior to**
17 **the engagement of outside experts.**

18 **(13) Establish an annual budget and submit such budget to the**
19 **department to be included in and funded through the department's annual**
20 **budget. Funding of the Initiative for the first year of its operation shall be**
21 **derived from existing department resources and funds. Details of the**
22 **Initiative's revenues and expenses, including its requested annual budget and**
23 **the amount actually funded, shall be included in the annual report.**

24 **(14) Expend funds consistent with the provisions of this Chapter.**

25 **(15) Enter into agreements, memoranda of understanding, and**
26 **cooperative endeavors with foreign, private, nongovernmental, state, local, and**
27 **federal public entities consistent with the provisions of this Chapter.**

28 **(16) Provide recommendations to the legislature with respect to the**
29 **implementation, management, and funding of the Initiative.**

1 **(17) Present recommendations to the House Committee on Commerce**
2 **and the Senate Committee on Commerce, Consumer Protection, and**
3 **International Affairs by February first of each year for proposed legislation**
4 **consistent with the comprehensive strategy of the master plan and the**
5 **provisions of this Chapter.**

6 **(18) Advise the secretary on any matter regarding the Initiative.**

7 **§3116. Membership of board**

8 **A. The board shall consist of the following members:**

9 **(1) The secretary of the department or his designee.**

10 **(2) The secretary of the Department of Transportation and Development**
11 **or his designee.**

12 **(3) The commissioner of the Department of Agriculture and Forestry or**
13 **his designee.**

14 **(4) The secretary of the Department of Culture, Recreation and Tourism**
15 **or his designee.**

16 **(5)(a) Four members appointed by the governor who represent regional**
17 **economic development agencies in the state. Such members shall, to the**
18 **greatest extent possible, be engaged in international trade business. The**
19 **governor shall make the appointment from a list of names submitted by the**
20 **following organizations:**

21 **(i) Greater New Orleans, Inc.**

22 **(ii) Baton Rouge Area Chamber.**

23 **(iii) Cenla Advantage Partnership.**

24 **(iv) Southwest Louisiana Partnership for Economic Development.**

25 **(v) North Louisiana Economic Partnership.**

26 **(vi) Lafayette Economic Development Authority.**

27 **(vii) Northeast Louisiana Economic Alliance.**

28 **(viii) Jefferson Parish Economic Development Commission.**

29 **(ix) South Louisiana Economic Council.**

1 **(b) Each organization shall submit two names to the governor.**
2 **(6)(a) Four members appointed by the governor, of which two members**
3 **shall represent international business, and two members shall represent**
4 **manufacturing business relating to international trade. The governor shall**
5 **make the appointments from a list of names submitted by the following**
6 **organizations:**

7 **(i) Louisiana Association of Business and Industry.**

8 **(ii) The National Federation of Independent Business.**

9 **(iii) The World Trade Center New Orleans.**

10 **(iv) The Louisiana Chemical Association.**

11 **(v) New Orleans Board of Trade.**

12 **(b) Each organization shall submit two names to the governor.**

13 **(7)(a) Four members appointed by the governor who represent**
14 **international ports appointed by the governor. The governor shall make the**
15 **appointments from a list of names submitted by the following:**

16 **(i) Port of Greater Baton Rouge.**

17 **(ii) Lake Charles Port, Harbor and Terminal District.**

18 **(iii) Port of New Orleans.**

19 **(iv) Plaquemines Port, Harbor and Terminal District.**

20 **(v) St. Bernard Port, Harbor and Terminal District.**

21 **(vi) Port of South Louisiana.**

22 **(b) Each port shall submit two names to the governor.**

23 **(8)(a) One member appointed by the governor to represent the state's**
24 **airports. The governor shall make the appointments from a list of names**
25 **submitted by the following:**

26 **(i) Baton Rouge Metro Airport.**

27 **(ii) Lake Charles Regional Airport.**

28 **(iii) New Orleans International Airport.**

29 **(iv) Shreveport Regional Airport.**

1 **(b) Each airport shall submit two names to the governor.**

2 **B. The initial appointed members of the board shall be appointed no**
3 **later than October 1, 2012.**

4 **C. Initial appointments to the board shall be for terms as follows:**

5 **(1) Two members representing regional economic development agencies**
6 **in Louisiana, one member representing international business, one member**
7 **representing manufacturing business relating to international trade, two**
8 **members representing international ports, and one member representing the**
9 **state's airports shall be appointed for two years.**

10 **(2) Two members representing regional economic development agencies**
11 **in Louisiana, one member representing international business, one member**
12 **representing manufacturing business relating to international trade, and two**
13 **members representing international ports shall be appointed for one year.**

14 **(3) After the initial appointment provided for in Paragraphs (1) and (2)**
15 **of this Subsection, all members shall serve for a five-year term. Each member**
16 **shall serve until their successor is appointed.**

17 **D. Vacancies shall be filled in the same manner as the original**
18 **appointments for the unexpired portion of the term in the same manner as the**
19 **original appointment.**

20 **E. A majority of the voting members of the board shall constitute a**
21 **quorum for the transaction of business. The vote of a majority of the members**
22 **of the board present and voting, a quorum being present, shall be required for**
23 **any official action of the board.**

24 **F. The board shall hold its first meeting at its domicile no later than**
25 **December 1, 2012, and shall meet quarterly thereafter, on a date and a time and**
26 **place as the board may designate. The board may meet at such other times as**
27 **deemed necessary by the chairman or by the majority of its members.**

28 **G. At the initial meeting of the board, the board shall elect from its**
29 **membership a chairman and such other officers as it deems necessary to carry**

1 out the duties and functions of the board. All officers shall be members of the
2 board. Such officers shall constitute an executive committee, which shall
3 conduct certain business activities as authorized by the board during such times
4 as the board is not in session.

5 H. Board members shall not receive any salary for their duties as
6 members. The members may receive a mileage allowance for traveling to and
7 from meetings and for other travel authorized by the board at a rate not to
8 exceed the mileage rate for state employees.

9 §3117. Master International Trade Plan and annual report

10 A. (1)(a) The board shall, in accordance with the procedures set forth
11 herein, develop a Master International Trade Plan to position Louisiana as a
12 leader in international trade. Such master plan shall include projects that are
13 consistent with objectives of this Chapter.

14 (b) The board, in accordance with the procedures set forth herein, shall
15 review, revise, and amend the master plan when necessary or, at a minimum,
16 every year.

17 (2)(a) The annual report, at a minimum, shall include the following
18 information:

19 (i) Status of the Initiative.

20 (ii) All projects approved by the board, including the priority and status
21 of each project.

22 (iii) Project proposals submitted to the board for inclusion in the master
23 plan and the timeline for such proposals.

24 (iv) Benchmarks to be used as measurement of the progress of the
25 Initiative.

26 (v) Details as to the status of benchmarks defined in earlier reports,
27 future planning efforts, and the status of other major elements detailed in the
28 master plan.

29 (vi) A list of Initiative staff and each person's responsibilities and a

1 financial report of the budget as provided in R.S. 51:3115(B)(13).

2 (b) Only projects included in the master plan or the annual report shall
3 be eligible for assistance, financial, technical, or otherwise, from the Initiative,
4 department, or the state. However, nothing in this Subparagraph shall prohibit
5 any party from receiving funding for projects directly through the legislative
6 process as detailed in Subparagraphs (c) and (d) of this Paragraph, provided
7 such project proposal was first submitted to board for inclusion in the master
8 plan.

9 (i) Any person or entity may submit a project proposal to the board for
10 consideration to be included in the master plan. The board shall consider the
11 project, and shall only include in the master plan, projects that are consistent
12 with the comprehensive strategy of the master plan.

13 (ii) If, after consideration, the board approves the project, the board
14 shall notify the person or entity of such approval and shall assist such person or
15 entity as provided by this Chapter.

16 (iii) If, after consideration, the project is not approved by the board, the
17 board shall notify the person or entity in writing of its decision. Nothing in this
18 Item shall be construed to prohibit any person or entity from resubmitting a
19 project proposal for consideration by the board in subsequent years.

20 (c) Nothing in this Chapter shall preclude or restrict any of the
21 organizations provided in R.S. 51:3115(B)(2) or any private or
22 nongovernmental party or parties from independently developing and executing
23 projects that are not approved by the board. Such projects shall comply with
24 all applicable laws, rules, and regulations and shall not be eligible to receive the
25 assistance of the department or the Initiative or the state, except as provided in
26 Subparagraph (d) of this Paragraph.

27 (d) Any of the organizations provided in R.S. 51:3115(B)(2) or any
28 private or nongovernmental party or parties may apply for funding for non-
29 approved projects pursuant to Subparagraph (c) of this Paragraph in

1 accordance with all applicable laws and procedures. The legislature shall
 2 request an evaluation from the board for any project submitted to the
 3 legislature for funding that was rejected by the board for inclusion in the
 4 master plan. The legislature shall consider such report when determining
 5 whether to fund such project.

6 B.(1)(a) After adoption by the board, the initial master plan shall be
 7 submitted to the House Committee on Commerce, the Senate Committee on
 8 Commerce, Consumer Protection and International Affairs, the House
 9 Committee on Transportation, Highways, and Public Works and the Senate
 10 Committee on Transportation, Highways, and Public Works.

11 (b) Annual reports shall be submitted to the House Committee on
 12 Commerce, the Senate Committee on Commerce, Consumer Protection and
 13 International Affairs, the House Committee on Transportation, Highways, and
 14 Public Works and the Senate Committee on Transportation, Highways, and
 15 Public Works on or before the fifteenth day of the regular legislative session of
 16 each year.

17 Section 2. 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 and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Michelle Ducharme.

DIGEST

Proposed law creates the Louisiana International Trade Initiative ("Initiative") within the Department of Economic Development ("department").

Proposed law provides that the Initiative shall serve as the authority on behalf of the state to advance the state's international commerce economic sector.

Proposed law defines the following terms: "board", "department", "Initiative", "international ports", "inland ports", "international trade", "master plan", and "project".

Proposed law creates the Initiative in the office of the secretary of the department.

Proposed law provides that the Initiative shall include the secretary, the deputy secretary of international trade, staff of the department assigned to the Initiative, the board, any advisory subcommittee appointed by the chairman of the board, and staff of the board and any advisory subcommittee.

Proposed law provides for the powers and duties of the secretary and deputy secretary of international trade.

Proposed law creates the Louisiana International Trade Initiative Board ("board") and provides for duties of the board.

Proposed law provides for membership of the board, appointments, terms of the members, and vacancies of the board.

Proposed law provides that the board shall hold its first meeting at its domicile no later than December 1, 2012, and shall meet quarterly thereafter, on a date and a time and place as the board may designate. The board may meet at such other times as deemed necessary by the chairman or by the majority of its members.

Proposed law provides for the election of officers of the board.

Proposed law provides that board members shall not receive any salary for their duties as members, but may receive a mileage allowance for traveling to and from meetings and for other travel authorized by the board at a rate not to exceed the mileage rate for state employees.

Proposed law provides the board shall develop a Master International Trade Plan to position Louisiana as a leader in international trade. Such master plan shall include projects that are consistent with objectives of proposed law.

Proposed law provides that the board shall review, revise, and amend the master plan when necessary or, at a minimum, every year.

Proposed law provides that the annual report shall include the following information:

1. Status of the Initiative.
2. All projects approved by the board, including the priority and status of each project.
3. Project proposals submitted to the board for inclusion in the master plan and the time line for such proposals.
4. Benchmarks to be used as measurement of the progress of the Initiative.
5. Details as to the status of benchmarks defined in earlier reports, future planning efforts, and the status of other major elements detailed in the master plan.
6. A list of Initiative staff and each person's responsibilities and a financial report of the budget as provided in proposed law.

Proposed law provides that only projects included in the master plan or the annual report shall be eligible for assistance, financial, technical, or otherwise, from the Initiative, department, or the state. However, nothing shall prohibit any party from receiving funding for projects directly through the legislative process, provided such project proposal was first submitted to the board for inclusion in the master plan.

Proposed law provides that any person or entity may submit a project proposal to the board for consideration to be included in the master plan. The board shall consider the project and shall only include in the master plan, projects that are consistent with the comprehensive strategy of the master plan.

Proposed law requires the board to notify the person or entity if the board approves or disapproves a project proposal.

Proposed law provides that nothing in proposed law shall preclude or restrict any of the organizations provided for in proposed law or any private or nongovernmental party or parties from independently developing and executing projects that are not approved by the board. Such projects shall comply with all applicable laws, rules, and regulations and shall not be eligible to receive the assistance of the department or the Initiative or the state, except as provided in proposed law.

Proposed law provides that any of the organizations provided in proposed law or any private or nongovernmental party or parties may apply for funding for non-approved projects in accordance with all applicable laws and procedures. The legislature shall request an evaluation from the board for any project submitted to the legislature for funding that was rejected by the board for inclusion in the master plan. The legislature shall consider such report when determining whether to fund such project.

Proposed law provides that the initial master plan shall be submitted to the House Committee on Commerce, the Senate Committee on Commerce, Consumer Protection and International Affairs, the House Committee on Transportation, Highways, and Public Works and the Senate Committee on Transportation, Highways, and Public Works.

Proposed law requires the annual reports to be submitted to the House Committee on Commerce, the Senate Committee on Commerce, Consumer Protection and International Affairs, the House Committee on Transportation, Highways, and Public Works and the Senate Committee on Transportation, Highways, and Public Works on or before the 15th day of the regular legislative session of each year.

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

(Adds R.S. 51:3111-3117)