SLS 12RS-295 REENGROSSED

Regular Session, 2012

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SENATE BILL NO. 723

BY SENATORS APPEL, ALARIO, ALLAIN, BROOME, CHABERT, CORTEZ, CROWE, DONAHUE, DORSEY-COLOMB, ERDEY, GALLOT, JOHNS, KOSTELKA, LAFLEUR, MARTINY, MILLS, MORRELL, MORRISH, MURRAY, RISER, GARY SMITH, THOMPSON, WALSWORTH, WARD AND WHITE AND REPRESENTATIVES BROSSETT AND LEGER

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

AN ACT

2 To enact Chapter 54 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 51:3111 through 3118, relative to the Louisiana International Commerce 3 Initiative; to create the office of international commerce within the Department of 4 5 Economic Development; to create the Louisiana Board of International Commerce; 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 of 1950, to be comprised of R.S. 51:3111 through 3118 are hereby enacted to read as follows: 12 13 CHAPTER 54. LOUISIANA INTERNATIONAL COMMERCE INITIATIVE §3111. Purpose 14 The provisions of this Chapter establish the office of international 15 commerce within the Department of Economic Development to serve as the 16

authority on behalf of the state to advance the state's international commerce

1 economic sector. The office of international commerce shall achieve this 2 objective by utilizing the state's public and private resources to strategically develop and enhance Louisiana's participation and competitiveness in 3 international trade, by attracting foreign and domestic investment and trade 4 5 related corporate business into the state, and by developing manufacturing, corporate, and service business activity based upon Louisiana's trade economy. 6 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 Board of International Commerce. 11 (2) "Department" means the Department of Economic Development. (3) "Initiative" means the Louisiana International Commerce Initiative. 12 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 limited to, the following: 16 17 (a) Port of Greater Baton Rouge. (b) Lake Charles Port, Harbor and Terminal District. 18 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 export through international ports for connection to world markets. 25 (6) "International trade" means a two-tiered, integrated economic 26 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

commerce, manufacturing related to imported and exported products and

staff of the board and any advisory subcommittee.

1	33114. I owers and duties of the secretary and executive director
2	A. The secretary shall administer and enforce the provisions of this
3	Chapter relating to duties and activities of the office, the board, and advisory
4	subcommittees of the board.
5	B. The secretary may execute partnerships, joint ventures, memoranda
6	of understanding, cooperative endeavors, or other similar relationships with
7	local, state, or federal public entities, foreign governments, or private entities
8	and business interests to implement the master plan. Such state public entities
9	shall include but are not limited to the following: the Department of
10	$\underline{Transportation\ and\ Development, the\ Department\ of\ Agriculture\ and\ Forestry,}$
11	and the Department of Culture, Recreation and Tourism.
12	C. The executive director of the office of international commerce shall
13	report directly to the secretary.
14	D. The secretary and the executive director shall represent the board in
15	all matters.
16	E. The secretary and the executive director shall represent the policy
17	and viewpoints of the office at foreign, state, regional, and local levels.
18	§3115. Louisiana Board of International Commerce
19	A. The Louisiana Board of International Commerce is hereby created
20	within the office of international commerce of the Department of Economic
21	Development. The board shall be domiciled in Baton Rouge.
22	B. The board shall exercise, subject to the provisions of this Chapter, the
23	following duties:
24	(1) Develop, coordinate, implement, make reports on, manage, and
25	provide oversight of the Master International Trade Plan and prepare annual
26	reports to the legislature. The master plan shall position Louisiana as a leader
27	$\underline{in\ international\ commerce\ and\ trade\ and\ shall\ include\ a\ comprehensive\ strategy}$
28	addressing all matters of international trade and commerce for the state of
29	Louisiana. An annual report shall monitor the progress of the implementation

to attract foreign direct investment and to attract international corporate

business to Louisiana.

(9) Identify, solicit, and recommend to the secretary, partnerships, joint ventures, memoranda of understanding, cooperative endeavors, or other similar relationships with local, state, or federal public entities, foreign governments, or private entities and business interests to implement the master plan. Such public entities shall include but are not limited to the following: the Department of Transportation and Development, the Department of Agriculture and Forestry, and the Department of Culture, Recreation and Tourism.

(10) Identify, accept, obtain or assist in obtaining, foreign, federal, state, and private funds consistent with the provisions of this Chapter. Such funds shall include funds from matching sources, gifts, grants, and donations.

- (11) Develop and implement methods to self-generate funds. Such funds obtained consistent with the provisions of this Chapter shall be used solely for the operations of the office and execution of projects included in the master plan.
- (12) Identify funding sources for infrastructure that is required to support projects or existing facilities and assist organizations, entities, or persons provided in Paragraph (2) of this Subsection to enter into business relationships, such as public-private partnerships, to secure funding for such infrastructure.
 - (13) Conduct meetings and hold hearings.
- (14) Adopt rules in accordance with the Administrative Procedure Act consistent with the provisions of this Chapter.
- (15) As determined by the board, the chairman shall appoint advisory subcommittees to review, evaluate, and report to the board on projects proposed for inclusion in the master plan or for other purposes as approved by the board. In accordance with the scope of the subcommittee's work, the subcommittee may include non-board personnel. Such personnel shall not be compensated by the board. The board may request the secretary to engage

experts to assist the board in performing its functions and duties. Every effort

2	shall be made to utilize the staff of the office, department, international ports,
3	nongovernmental organizations, or state universities prior to the engagement
4	of outside experts.
5	(16) Establish a recommended annual budget for the operation of the
6	office and submit such recommended budget to the secretary for inclusion in the
7	department's annual budget. Funding of the office for the first year of
8	operation shall be derived from existing department resources and funds.
9	Details of the office's revenues and expenses, including its recommended annual
10	budget, shall be included in the annual report.
11	(17) Expend funds consistent with the provisions of this Chapter.
12	(18) Recommend that the secretary enter into agreements, memoranda
13	of understanding, and cooperative endeavors with foreign governments, private
14	entities, nongovernmental agencies, and local, state, and federal public entities
15	that are consistent with the provisions of this Chapter.
16	(19) Provide recommendations to the legislature with respect to the
17	implementation, management, and funding of the office.
18	(20) Present recommendations to the House Committee on Commerce
19	and the Senate Committee on Commerce, Consumer Protection, and
20	International Affairs by February first of each year for proposed legislation
21	consistent with the comprehensive strategy of the master plan and the
22	provisions of this Chapter.
23	(21) Advise the secretary on any matter regarding the office.
24	§3116. Membership of board
25	A. The board shall consist of the following members:
26	(1) The secretary of the department or his designee.
27	(2) The secretary of the Department of Transportation and Development
28	or his designee.
29	(3) The commissioner of the Department of Agriculture and Forestry or

1 his designee. 2 (4) The secretary of the Department of Culture, Recreation and Tourism 3 or his designee. 4 (5)(a) Eight members appointed by the governor who represent regional 5 economic development agencies in the state. Such members shall, to the greatest extent possible, be engaged in international trade business. The 6 7 governor shall make the appointment from a list of names submitted by the 8 following organizations: 9 (i) Greater New Orleans, Inc. 10 (ii) Baton Rouge Area Chamber. 11 (iii) Central Louisiana Economic Development Alliance. 12 (iv) Southwest Louisiana Partnership for Economic Development. 13 (v) North Louisiana Economic Partnership. (vi) Acadiana Economic Development Authority. 14 (vii) Northeast Louisiana Economic Alliance. 15 (viii) Jefferson Parish Economic Development Commission. 16 17 (ix) South Louisiana Economic Council. (b) Each organization shall submit two names to the governor. 18 19 (6)(a) Four members appointed by the governor, of which two members shall represent international business, and two members shall represent 20 21 manufacturing business relating to international trade. The governor shall 22 make the appointments from a list of names submitted by the following organizations: 23 24 (i) Louisiana Association of Business and Industry. (ii) The National Federation of Independent Business. 25 26 (iii) The World Trade Center New Orleans. 27 (iv) The Louisiana Chemical Association. 28 (v) New Orleans Board of Trade. 29 (b) Each organization shall submit two names to the governor.

1	(7)(a) Six members appointed by the governor who represent
2	international ports. The governor shall make the appointments from a list of
3	names submitted by the following:
4	(i) Port of Greater Baton Rouge.
5	(ii) Lake Charles Port, Harbor and Terminal District.
6	(iii) Port of New Orleans.
7	(iv) Plaquemines Port, Harbor and Terminal District.
8	(v) St. Bernard Port, Harbor and Terminal District.
9	(vi) Port of South Louisiana.
10	(b) Each port shall submit two names to the governor. The governor
11	shall select at least one representative from each of the ports submitting
12	nominations.
13	(8)(a) One member appointed by the governor to represent the state's
14	airports. The governor shall make the appointments from a list of names
15	submitted by the following:
16	(i) Baton Rouge Metropolitan Airport.
17	(ii) The Chennault International Airport Authority.
18	(iii) Louis Armstrong New Orleans International Airport.
19	(iv) Shreveport Regional Airport.
20	(v) England Airpark.
21	(vi) Lafayette Regional Airport.
22	(vii) Monroe Regional Airport.
23	(b) Each airport shall submit two names to the governor. The governor
24	shall select at least one representative from each of the ports submitting
25	nominations.
26	B. The initial appointed members of the board shall be appointed no
27	later than October 1, 2012.
28	C. Initial appointments to the board shall be for terms as follows:
29	(1) Two members representing regional economic development agencies

members. The members may receive a mileage allowance for traveling to and

1	from meetings and for other travel authorized by the board at a rate not to
2	exceed the mileage rate for state employees.
3	§3117. Master Plan of International Commerce and annual report
4	A.(1)(a) The board shall, in accordance with the procedures set forth in
5	this Chapter, develop a Master Plan of International Commerce to position
6	Louisiana as a leader in international trade. Such master plan shall include
7	projects that are consistent with objectives of this Chapter.
8	(b) The board, in accordance with the procedures set forth in this
9	Chapter, including legislative approval, shall review, revise, and amend the
10	master plan when necessary or, at a minimum, every year.
11	(2) The annual report, at a minimum, shall include the following
12	information:
13	(a) Status of the office.
14	(b) All projects approved by the board, including the priority and status
15	of each project.
16	(c) Project proposals submitted to the board for inclusion in the master
17	plan and the timeline for such proposals.
18	(d) Benchmarks to be used as measurement of the progress of the office.
19	(e) Details as to the status of benchmarks defined in earlier reports,
20	future planning efforts, and the status of other major elements detailed in the
21	master plan.
22	(f) A list of office staff and each person's responsibilities and a financial
23	report of the recommended budget, provided in R.S. 51:3115(B)(16).
24	B.(1) Except as specified in Paragraph (4) of this Subsection, only
25	projects included in the master plan shall be eligible for assistance, financial,
26	technical, or otherwise, from the office or department. However, nothing in this
27	Subparagraph shall prohibit any party from receiving funding for projects
28	directly through the legislative process set forth in this Subsection, provided
29	such project proposal was first submitted to the board for evaluation and

inclusion in the master plan.

(a) Any person or entity may submit a project proposal to the board for consideration to be included in the master plan. The board shall promptly consider the project and shall approve such projects for inclusion in the master plan only if they are consistent with the comprehensive strategy of the master plan. Every project submitted to the board shall include a return on investment analysis in a form acceptable to the department. The board shall place emphasis on the results of the return on investment analysis when determining whether to approve the project.

- (b) If, after consideration, the board approves the project, the board shall notify the person or entity of such approval and shall assist such person or entity as provided by this Chapter.
- (c) If, after consideration, the project is not approved by the board, the board shall notify the person or entity in writing of its decision. In addition, the board shall submit a written evaluation, including the return on investment analysis, of such project to the secretary of the Department of Transportation and Development, the House Committee on Appropriations, the Senate Committee on Finance, and the division of administration. Nothing in this Item shall be construed to prohibit any person or entity from resubmitting a project proposal for consideration by the board.
- (2) Nothing in this Chapter shall preclude or restrict any of the organizations, entities, or persons provided in R.S. 51:3115(B)(2) or any private or nongovernmental party from independently developing and executing projects that are not approved by the board. Such projects shall comply with all applicable laws, rules, and regulations but shall not be eligible to receive the assistance of the office or the department, except as provided in Paragraph (3) of this Subsection.
- (3) Any of the organizations, entities, or persons provided in R.S. 51:3115(B)(2) or any private or nongovernmental party may apply for funding

the board shall implement the plan as submitted.

1	(e) At any time subsequent to the adoption or implementation of the
2	master plan in accordance with the procedure set forth in this Chapter, the
3	board may amend or supplement the plan or add or delete projects. No project
4	shall be added or deleted unless and until the amendment to the master plan is
5	approved as provided by this Section. However, if such project is added or
6	deleted while the legislature is not in session, the board shall submit the addition
7	or deletion to the master plan to the Joint Legislative Committee on the Budget
8	<u>for approval.</u>
9	(2) Annual reports shall be submitted to the House Committee on
10	Commerce, the Senate Committee on Commerce, Consumer Protection and
11	International Affairs, the House Committee on Transportation, Highways, and
12	Public Works and the Senate Committee on Transportation, Highways, and
13	Public Works on or before the fifteenth day of the regular legislative session of
14	each year.
15	§3118. Exceptions
16	A. Notwithstanding any provision of law to the contrary, nothing in this
17	Chapter shall be construed to affect the Port Construction and Development
18	Priority Program, R.S. 34:3451 et seq.
19	B. Notwithstanding any provision of law to the contrary, nothing in this
20	Chapter shall be construed to affect the Airport Construction and Development
21	Priority Program, R.S. 2:801 et seq.
22	Section 2. This Act shall become effective upon signature by the governor or, if not
23	signed by the governor, upon expiration of the time for bills to become law without signature
24	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
25	vetoed by the governor and subsequently approved by the legislature, this Act shall become
26	effective on the day following such approval.

The original instrument was prepared by Michelle Ducharme. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jeanne Johnston.

DIGEST

Appel (SB 723)

<u>Proposed law</u> creates the Louisiana International Commerce Initiative (Initiative) and creates the office of international commerce within the Department of Economic Development (department).

<u>Proposed law</u> provides that the office shall serve as the authority on behalf of the state to advance the state's international commerce economic sector.

<u>Proposed law</u> defines the following terms: "board", "department", "Initiative", "international ports", "inland ports", "international trade", "master plan", "office", "project" and "secretary".

<u>Proposed law</u> provides that each project shall have a cost of more than one million dollars and excludes projects of inland ports or harbor districts, other than an international port, from the definition of "project".

<u>Proposed law</u> provides that the office shall include the secretary, the executive director of international commerce, staff of the department assigned to the office, the board, any advisory subcommittee appointed by the chairman of the board, and staff of the board and any advisory subcommittee.

<u>Proposed law</u> provides for the powers and duties of the secretary and executive director of international commerce.

<u>Proposed law</u> creates the Louisiana Board of International Commerce (board) and provides for duties of the board.

<u>Proposed law</u> provides for membership of the board, appointments, terms of the members, and vacancies of the board.

<u>Proposed law</u> provides that the board shall hold its first meeting at its domicile no later than December 1, 2012, and shall meet monthly 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.

<u>Proposed law</u> provides for the election of officers of the board.

<u>Proposed law</u> 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.

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

<u>Proposed law</u> provides that the board shall review, revise, and amend the master plan when necessary or, at a minimum, every year, subject to legislative approval.

<u>Proposed law</u> provides that the annual report shall include the following information:

- 1. Status of the office.
- 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 office.
- 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 the office's staff and each person's responsibilities and a financial report of the budget as provided in <u>proposed law</u>.

<u>Proposed law</u> provides that only projects included in the master plan or the annual report shall be eligible for assistance, financial, technical, or otherwise, from the office or department. 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 evaluation and inclusion in the master plan.

<u>Proposed law</u> 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 promptly consider the project and shall only approve projects for inclusion in the master plan that are consistent with the comprehensive strategy of the master plan.

<u>Proposed law</u> provides that each project submitted shall include a return on investment analysis which shall be given emphasis by the board when determining whether to approve a project.

<u>Proposed law</u> requires the board to notify the person or entity if the board approves or disapproves a project proposal. If the project is not approved by the board, the board shall submit a written evaluation, including the return on investment analysis, of such project to the secretary of the Department of Transportation and Development, the House Committee on Appropriations, the Senate Committee on Finance, and the division of administration.

<u>Proposed law</u> provides that nothing in <u>proposed law</u> shall preclude or restrict any of the organizations provided for in <u>proposed law</u> 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 office or department, except as provided in proposed law.

<u>Proposed law</u> provides that any of the organizations, entities, or persons provided in <u>proposed law</u> or any private or nongovernmental party may apply for funding for nonapproved projects in accordance with all applicable laws and procedures. The legislature shall be provided the evaluation submitted by the board when determining whether to fund a project or provide legislative incentives of any kind for the project or to the organization, entity, or person proposing such project.

<u>Proposed law</u> provides that the department may identify, plan, and develop projects independently of the board and without submitting such projects to the board for approval.

<u>Proposed law</u> 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 on or before the 15th day of the regular legislative session each year.

<u>Proposed law</u> provides that if any of the specified legislative committees disapproves the master plan, it shall send the master plan back to the board together with a brief summary of the reasons for disapproval and may make recommendations concerning changes it deems necessary or appropriate to remedy any deficiencies in the plan.

<u>Proposed law</u> provides that after approval of the committees, the legislature may approve or disapprove the master plan by resolution adopted by a majority vote of the members of each house of the legislature. Further provides that if the legislature disapproves the master plan, it shall include in the resolution a brief summary of the reasons for disapproval and may make recommendations concerning any changes it deems necessary or appropriate to remedy any deficiencies in the master plan.

<u>Proposed law</u> provides that if the legislature approves the master plan, or if the legislature fails to take action on the master plan within 60 days after the plan is submitted, the board shall implement the plan as submitted.

<u>Proposed law</u> provides that subsequent to the adoption or implementation of the master plan, the board may amend or supplement the plan or add or delete projects, provided that no project shall be added or deleted unless and until the amendment to the master plan is approved as provided in <u>proposed law</u>. Provides that if a project is added or deleted while the legislature is not in session, the board shall submit the addition or deletion to the master plan to the Joint Legislative Committee on the Budget for approval.

<u>Proposed law</u> 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.

The provisions of <u>proposed law</u> shall not be construed to affect the Airport Construction and Development Priority Program.

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

(Adds R.S. 51:3111-3118)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

- 1. Defines "board", "office", and "secretary".
- 2. Creates the office of international commerce with the Department of Economic Development.
- 3. Changes "deputy secretary" to "executive director".
- 4. Provides for duties of the secretary and the executive director of international commerce.
- 5. Changes the board's name <u>from</u> "Louisiana International Trade Initiative Board" <u>to</u> "Louisiana Board of International Commerce".
- 6. Provides for duties of the board.
- 7. Provides that the board may request the secretary of the Department of

Economic Development to engage experts.

- 8. Adds two airports to the list of nominating entities for board membership.
- 9. Provides that the board must submit a written evaluation of any project not approved by the board to the secretary of Department of Transportation and Development, House Committee on Appropriations, Senate Committee on Finance, and the division of administration.
- 10. Provides that the legislature shall use the written evaluation when determining whether to fund such project or provide legislative incentives of any kind for the project or to the organization, entity, or person proposing such project.
- 11. Provides that provisions of <u>proposed law</u> shall not apply to the Port Construction and Development Priority Program and the Department of Transportation and Development Aviation Trust Fund.

Senate Floor Amendments to engrossed bill

- 1. Makes technical corrections.
- 2. Changes name of initiative <u>from</u> the "Louisiana International Trade Initiative" to the "Louisiana International Commerce Initiative".
- 3. Renames the "Master International Trade Plan" as the "Master Plan of International Commerce".
- 4. Increases the number of gubernatorial appointees representing regional economic development agencies <u>from</u> four <u>to</u> eight.
- 5. Deletes the Cenla Advantage Partnership and the Lafayette Economic Development Authority from the list of organizations submitting names for consideration for gubernatorial appointment to the board and adds the Central La. Economic Development Alliance and the Acadiana Economic Development Authority to such list.
- 6. Increases the number of members representing international ports to be appointed to the board by the governor from four to six.
- 7. Requires the governor to select at least one representative from each of the ports submitting nominations for board membership.
- 8. Adds the Chennault International Airport Authority and the Monroe Regional Airport to the list of airports submitting names for gubernatorial appointments to the board to represent the state's airports.
- 9. Clarifies that a majority of the board membership constitutes a quorum.
- 10. Provides that the board shall meet monthly instead of quarterly.
- 11. Provides for legislative approval of the master plan and revisions and amendments thereto.
- 12. Requires each project submitted for board approval to include a return on investment analysis which shall be given emphasis in board consideration of project approval.

- 13. Allows the department to identify, plan, and develop projects independently of the board and without being submitted for board approval.
- 14. Provides that the master plan be submitted to specified legislative committees on or before the 15th day of each regular legislative session.
- 15. Provides a procedure for legislative approval of the master plan and revisions or amendments thereto.
- 16. Provides that <u>proposed law</u> shall not be construed as to affect the Airport Construction and Development Priority Program.