

any deviation from the anticipated total federal grant funding, LED reserves the right to increase or decrease the year 2 award to ensure compliance with the maximum award provisions.

C. In the event LED determines that an applicant is not selected for an award, a Denial Letter will be issued by the secretary, specifying the basis for denial.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and 51:2401

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of the Secretary, LR 49:

Family Impact Statement

The proposed Rule changes have no impact on family formation, stability or autonomy, as described in R.S. 49:972.

Poverty Statement

The proposed Rule is not anticipated to have an impact on poverty as described in R.S. 49:973.

Provider Impact Statement

The proposed Rule is not anticipated to have an impact on providers of services as described in HCR 170 of the 2014 Regular Legislative Session.

Small Business Analysis

The proposed Rule is not anticipated to have an adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting the proposed Rule to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Public Comments

Interested persons should submit written comments on the proposed Rules to Stephanie Le Grange through the close of business on Tuesday, January 24, 2023 at Department of Economic Development, 617 North Third Street, 11th Floor, Baton Rouge, LA 70802 or via email to Stephanie.LeGrange@la.gov.

Public Hearing

A meeting for the purpose of receiving the presentation of oral comments will be held at 11 a.m. on Wednesday, January 25, 2023 in the Griffon Conference Room at the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802.

Brenda Guess
Assistant Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Small Business Innovation Retention Fund Program

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule establishes program guidelines for the Small Business Innovation Retention (SBIR) Program authorized by Act 476 of the 2022 Regular Session.

The Department of Economic Development (LED) expects to receive up to \$105,000 per year to administer the program. These funds should be sufficient to administer the program as outlined in law/proposed rules.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The program is expected to have a negligible impact on future revenue collections at both the state and local levels.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

The program will directly benefit Louisiana businesses that are recipients of federal SBIR or Small Business Technology Transfer (STTR) grants who receive awards from the Louisiana Small Business Innovation Retention Fund Program, by providing them with additional grant funding from the State. These businesses will be subject to additional application and compliance requirements, but these requirements should not be significant and should be outweighed by the benefits received.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Program award recipients may enjoy competitive benefits over any competitors who do not receive awards, due to having additional funding. Employment may increase negligibly, if award recipients hire additional personnel due to receiving award funding.

Anne G. Villa
Undersecretary
2212#043

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Economic Development Office of Business Development

Louisiana Competes Regional Economic Development
Program (Louisiana Competes Program)
(LAC 19:III.Chapter 25)

The Department of Economic Development, Office of Business Development, as authorized by and pursuant to the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., R.S. 36:104, 36:108 and 39:1481 et seq., hereby give notice of their intent to adopt rules for the Louisiana Competes Regional Economic Development Program, abbreviated and to be known as the "Louisiana Competes Program".

Title 19

ECONOMIC DEVELOPMENT

Part III. Financial Assistance Programs

Chapter 25. Louisiana Competes Regional Economic Development Program (Louisiana Competes Program)

§2501. Preamble and Purpose

A. The legislature recognizes the strong competition among states to attract new business and industry and to grow existing business and industry.

B. It is further recognized that different regions have different characteristics and attributes which are advantageous to specific sectors of the economy.

C. The legislature believes that local citizens working through regional economic development organizations ("REDO's") are uniquely positioned to support the state's overall economic development efforts by identifying and directing how certain resources are best utilized to take advantage of a region's distinctive economic potential.

D. The purpose of this program is therefore for the Department of Economic Development, (“LED”) to provide grants to REDO’s to provide locally developed and tailored services directly relating to attracting new business and industry and growing existing business and industry.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1481 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 49:

§2503. Definitions

Cooperative Endeavor Agreement—that agreement between a regional economic development organization and LED, through which the parties set forth the amount of the grant, the terms, conditions and compliance requirements. Abbreviated as CEA.

Grant—an award from the Louisiana Competes Economic Development Program to a regional economic development organization.

LED—the Louisiana Department of Economic Development.

Louisiana Competes Program—this program, the Louisiana Competes Regional Economic Development Program.

Other Property—property that is not publicly owned, to the extent allowable under Article VII, Section 14 of the Louisiana Constitution or other applicable state law, as approved by LED.

Public Site—a site which a public entity owns.

Qualified Expenditure—in accordance with R.S. 39:1484, #2107 of these program rules, and as confirmed and approved by LED.

Regional Economic Development Organization—any of the following eight organizations: the Baton Rouge Area Chamber; the Central Louisiana Economic Development Alliance; Greater New Orleans, Inc.; the Northeast Louisiana Economic Alliance; the North Louisiana Economic Partnership; One Acadiana; the South Central Planning and Development Commission; the Southwest Louisiana Economic Development Alliance, or any of their successors. Abbreviated and also known as “REDO”,

Secretary—the Secretary of the Department of Economic Development

Site—immovable property, with or without improvements thereon, located in the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1481 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 49:

§2505. Award Process

A. The secretary shall promulgate administrative rules for the program, in accordance with the Administrative Procedure Act and in consultation with the 8 enumerated REDO’s and the Louisiana Chamber of Commerce Foundation.

B. Within 30 calendar days after adoption of program rules, the REDO’s and the state, through LED, shall enter into an initial cooperative endeavor agreement (“CEA”), which will specify the objectives and intent of the REDO’s, the amount of the award, the terms and conditions of the award and the compliance requirements to be confirmed by LED. REDO obligations shall be limited under the CEA to the following:

1. identifying high-priority sites for the purpose of attracting economic development projects;

2. developing high-priority sites for the purpose of attracting economic development projects;

3. developing and subsequently providing an annual report of all activities related to the objectives of the CEA undertaken in any previous year;

4. maintaining records and an accurate accounting of all expenditures;

5. adhering to state and federal non-discrimination laws;

6. adhering to the provisions of R.S. 39:1602.1;

7. applying a 10 percent local match:

a. a REDO shall not expend any grant funds without simultaneously applying local matching funds equaling 10 percent of the cost being paid.

b. local matching funds cannot come from the LED provided regional awards and matching grant program tier 1 funds;

c. funds originating from any lawful source other than the state shall constitute local matching funds.

C. The initial CEA with each REDO shall have a term of two years, which shall automatically renew for successive one-year periods until such times as all initial funds provided for in the CEA have been expended, as verified and confirmed in writing by LED.

D. Funds may be disbursed by LED to REDO’s after execution of a CEA on a cost reimbursement basis, or may be direct vendor pay by LED on behalf of REDO, after submission of all required compliance documentation to LED.

E. Each REDO shall receive a grant in the amount of up to one-eighth of the funds appropriated:

1. An initial grant in the amount of up to \$1million shall be allocated to each REDO, in accordance with a total program allocation of \$8 million incorporated in Act 170 of the 2022 Regular Session of the Louisiana Legislature;

2. Thereafter, each REDO shall receive a subsequent grant in the amount of up to one-eighth of any annual funds specifically appropriated to LED for the Louisiana Competes Program.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1481 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development 49:

§2507. Qualified Expenditures

A. REDO’s shall only use grant funds to pay for qualified expenditures related to the furtherance of economic development within the region it represents.

B. Qualified expenditures are limited to site development costs for publicly owned property or other property to the extent allowable under Article VII, Section 14 of the Constitution of Louisiana and other applicable state law, as approved in writing by LED.

1. Grant awards for development of other property, in proportion to awards for development of publicly owned property, may be limited by the secretary if determined to be in the best interests of the state.

C. Eligible site development costs may include but not be limited to the following:

1. studies;

2. surveys;

Public Hearing

A meeting for the purpose of receiving the presentation of oral comments will be held at 10 a.m. on Wednesday, January 25, 2023 in the Griffon Conference Room at the LaSalle Building, 617 North 3rd Street, Baton Rouge, LA 70802.

Anne G. Villa
Undersecretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: **Louisiana Competes Regional Economic Development Program (Louisiana Competes Program)**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule establishes program guidelines for the Louisiana Competes Program authorized by Act 556 of the 2022 Regular Session.

The Department of Economic Development (LED) anticipates no impact on implementation costs or savings as a result of the proposed rules. Minimal LED resources should be required to administer the program as it only involves working with eight external entities. Existing LED staff and resources should be sufficient to administer the program. Regional economic development organizations (REDOs) will administer the program at the local level. Some administrative resources will be required, though expected to be nominal. In order to receive grant funding for qualified expenditures, a local match of 10% must be obtained.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

State and local governments should experience future revenue increases, to the extent the program is successful regarding economic development efforts. The program and grant funding for site development projects may also result in increased economic activity related to providing those site development services. Any increased economic activity should result in increased state and local revenue collections, to varying degrees of impact.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

REDOs will have related administrative costs while benefiting from the ability to provide additional services. Small businesses, particularly those involved with providing site development services, may benefit from increased demand for site development services.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Grant awards and resulting activity, particularly related to providing site development services, may result in marginal employment increases in related industries. Attracting additional economic development project wins will impact competition and employment, to the extent the program is responsible.

Anne G. Villa
Undersecretary
2212#044

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

3. development of plans and specifications;
4. real estate services and transactions, such as option agreements, rights of first refusal and infrastructure improvements may be considered qualified expenditures if they further attributes of the site as a developable property and adequate supporting documentation is submitted to LED. LED will evaluate submissions on a case by case basis, but would consider the following to be examples of improvements:

a. the construction of water, sewer or rail lines, roads or the development of rights of way.
b. the removal of an existing structure;
5. due diligence;
6. remediation;
7. wetland delineation;
8. professional services for architectural, engineering, legal, construction, and financial services related to site development.

D. Ineligible site development costs may include but not be limited to the following:

1. salaries, wages or benefits;
2. travel expenses incurred by REDO officers, employees or contractors;
3. alcohol;
4. land, building, offices, equipment, or vehicles used primarily for the administrative operations of the REDO.

AUTHORITY NOTE: Promulgated in accordance with. R.S. 39:1481 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 49:

Family Impact Statement

The proposed Rule is not anticipated to have an impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Statement

The proposed Rule is not anticipated to have an impact on poverty as described in R.S. 49:973.

Provider Impact Statement

The proposed Rule is not anticipated to have an impact on providers of services as described in HCR 170 of the 2014 Regular Legislative Session.

Small Business Analysis

The purpose of this program is to provide additional state funding to regional economic development organizations throughout the state who are charged with retaining and growing business and industry of both and small scale businesses. Participation in the program by REDO's may cause a direct economic impact on small businesses, however, the benefit from additional funding received, at a nominal cost of some additional planning and paperwork associated with the compliance and reporting requirements should provide a positive impact to any small businesses.

Public Comments

Interested persons should submit written comments on the proposed Rules to Michael Tepper through the close of business on Tuesday, January 24, 2023 at Department of Economic Development, 617 North 3rd Street, 11th Floor, Baton Rouge, LA 70802 or via email to Michael.Tepper@la.gov.