

September 9, 2022

RE: Quality Jobs Program Rules– Summary Report

To Whom It May Concern:

The Department of Economic Development hereby announces its plan to proceed with rule-making by finalizing the Quality Jobs Program Rules, published as a Notice of Intent in the January, 2022 *Louisiana Register* on pages 83-90, then revised and re-published as a Potpourri in the April, 2022 *Louisiana Register* on pages 1250-1256.

Two public hearings were held to discuss and receive comments on the proposed rules. The first was held on March 3, 2022, and attended by the following organization representatives: LIDEA, LABI, Didier Consulting, Advantous Consulting, Sumit Credits and the LA Illuminator. (For reference purposes, please see attached written comments received.)

After a thorough review and careful consideration of the comments and testimony received, the department amended the time period for calculating an employment baseline, the time period for deferring applications to the Board and correcting by generalizing the reference to required new direct jobs and payroll. The revised rules were re-published as a Potpourri, and a second public hearing was held on May 25, 2022. Representatives from Didier Consulting, Advantous Consulting and Sumit Credits were again in attendance, and the response from public testimony was positive. (No written comments were received for this second hearing.)

LED appreciates the knowledgeable input from all interested parties and after consideration of all input, LED proposes to proceed as is with no further changes. *We therefore respectfully request that the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs convene a public meeting for presentation of the proposed rules to the committees by the Department for their approval, in compliance with R.S. 51:2459.*

As always, we welcome your consideration and I can be reached at ph#342-5406 with any questions.

Sincerely,



Stephanie Le Grange
Staff Attorney

**cc: Senate, Committee on Commerce, Consumer Protection, and International Affairs
House of Representatives, Committee on Commerce**

Potpourri

RULE

~~POTPOURRI~~

Department of Economic Development Office of Business Development

Public Hearing for Substantial Change to
Quality Jobs Program Notice of Intent
(LAC 13:I.Chapter 11)

The Department of Economic Development published a Notice of Intent in the January 2022 issue of the *Louisiana Register* (LR 48:83-90). A public hearing was held pursuant to R.S. 49:953(A)(2) on March 3, 2022 and interested parties were invited to provide comment. After a thorough review and careful consideration of the comments and testimony received, the department proposes to amend the time period for calculating an employment baseline in §1103, the time period for deferring applications to the board in §1107.F and correcting by generalizing the reference to required new direct jobs and payroll in §1117.E.2. The redline changes are available for viewing on our website at www.opportunitylouisiana.com. No fiscal or economic impact will result from the amendments proposed in this notice.

Title 13

ECONOMIC DEVELOPMENT

Part I. Financial Incentive Programs

Chapter 11. Quality Jobs Program

§1101. General

A. - B.1. ...

2. ~~The employer may be entitled to sales and use tax rebates or the project facility expense rebate—authorized in R.S. 51:2456(B)(1), in addition to the requirements of this Chapter.~~

C. Effective date of Act 387 of the 2007 Regular Session

1. The provisions of Act 387 shall apply to all advance notification filed prior to July 1, 2017, except as provided below.

2. - 4. ...

D. Effective date of Act 386 of the 2017 Regular Session

1. The provisions of Act 386 shall apply to advance notifications filed on or after July 1, 2017, except as provided below.

a. a COVID-19-impacted retail business, hotel or restaurant, that has no more than 50 employees nationwide including affiliates on the date of the filing of the advance notification and which is assigned a NAICS Code of 44, 45, 721, or 722, and which files or enters into an advance notification on or after July 1, 2020, and on or before December 31, 2021, shall be eligible for benefits. However, no such COVID-19-impacted business employer shall be eligible to earn benefits pursuant to the provisions of this Chapter after June 30, 2023.

2. The provisions of Act 387 shall apply to advance notifications for companies meeting the provisions of Section 4 of Act 386, as approved by the department.

E. Effective Sate of the 2022 Quality Jobs Program Rule Changes

1. The provisions of the 2022 Quality Jobs Program rule changes shall apply to advance notifications filed after the date of promulgation, detailed in the *Louisiana Register* published on (Month) 20, 2022, or unless otherwise stipulated by the Louisiana Legislature, in §1101.C and D.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:961 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2305 (November 2003), amended by the Office of Business Development, LR 37:2587 (September 2011), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1103. Definitions

Act 386—Act 386 of the 2017 Regular Session of the Louisiana Legislature

Approved Rehire Employees—a former employee who was previously on the payroll of the Company, parent entity, subsidiary, or affiliate in Louisiana, but has been off such payroll for a period of at least 12 months, may be considered a new direct job if rehired into a position that is not part of the baseline jobs. When determining new direct job qualifications, the department shall consider all relevant factors including but not limited to; ES4's, W2's and company re-hiring practices, and the intent of the program to permanently locate new or expand existing operations in Louisiana.

Basic Health Benefits Plan or the Health Insurance Coverage—that which is required to be offered shall include individual coverage for basic hospital care, coverage for physician care, and coverage for health care which shall be the same as that provided to executive, administrative, or professional employees. Coverage must become effective no later than the first day of the month 90 days after hire date. For companies subject to provisions of Act 386, the coverage shall be in compliance with federally mandated health care requirements but if no such federally mandated requirements exist, the coverage for the employer portion of employee only coverage shall have a value of at least one dollar and 25 cents per hour.

Benefit Rate—one of the following percentages:

1. contracts subject to the provisions of Act 386:
 - a. the benefit rate shall be 4 percent for new direct jobs which pay at least \$18 per hour in wages;
 - b. the benefit rate shall be 6 percent for new direct jobs which pay at least \$21.66 per hour in wages
2. contracts subject to the provisions of Act 387:
 - a. the benefit rate shall be 5 percent for new direct jobs which pay at least \$14.50 per hour in wages and health care benefits;

b. the benefit rate shall be 6 percent for new direct jobs which pay at least \$19.10 per hour in wages and health care benefits;

c. health care benefits paid shall be the value of the health care benefits plan elected by an employee, as determined by the department;

3. contracts not subject to the provisions of Act 386 or Act 387:

a. the benefit rate shall be 5 percent for new direct jobs which pay at least 1 3/4 times the federal minimum hourly wage rate;

b. the benefit rate shall be 6 percent for new direct jobs which pay at least 2 1/4 times the federal minimum hourly wage rate and meet one of the following criteria:

i. the new direct jobs are located in a distressed region, or at least 50 percent of the new direct jobs shall be filled by persons who reside in a distressed region;

ii. the new direct jobs are with an employer categorized in a traditional or seed cluster targeted by the department.

Corporate Headquarters of a Multi-State Business—a multi-state business whose primary function is identified by NAICS 55114.

COVID-19-Impacted Retail Business — a for-profit corporation, a limited liability company, a partnership, or a sole proprietorship that had a physical and active operation in Louisiana on March 13, 2020, and ceased operations due to either one of the governor's public health emergency proclamations or a mayor's proclamation or executive order related to the public health emergency, or a decrease in customer activity or the inability to retain sufficient staff due to the COVID-19 public health emergency, as approved by the Department.

Distressed Region—for companies subject to the provisions of Act 387, as designated by the department:

1. a parish with a per capita income in the lowest 25 percent of the parishes; or

2. a census tract and block group that is below the state median per capita income, based on the most recent federal decennial census.

Domicile—the place of a person's principal establishment or habitual residence. A change of domicile may be shown by positive and satisfactory proof of establishment of domicile as a matter of fact with the intention of remaining in the new place and of abandoning the former domicile. Such proof may include a sworn declaration of intent recorded in the parish to which a person intends to move, voter registration, or similar evidence of such intent. Workers in the United States who are working on an H-1B Visa are not deemed to be domiciled in Louisiana.

Employment Baseline—the median statewide number of employees of an employer, including affiliates, working the average hours per week required in §1105, excluding employees engaged in lines of business that the department determines are unrelated to the activities for which quality job program benefits are sought, during the payroll periods including the twelfth day of the month, in the last six months completed prior to the contract effective date (the median is calculated by discarding the months with the highest and lowest number of employees, and averaging the number in

the remaining four months). The employment baseline must be maintained in any year for which the employer requests payroll rebates. The employment baseline may be reduced by the number of employees retained and continued in employment for at least one year by an unrelated third party business acquiring a site or line of business.

Multi-State Business—a business entity operating in more than one state, with a physical presence in more than one state, as approved by the department.

LED—the Louisiana Department of Economic Development

New Direct Job—employment at a Louisiana site:

1. of an employee:

a. whose domicile is in the state of Louisiana;

b. working the average hours per week required by §1105; and

c. who prior to the contract effective date was not on the payroll in Louisiana of:

i. the employer;

ii. the employer's parent entity, subsidiary, or affiliate; or

iii. any business whose physical plant and employees were or are substantially the same as those of the employer, unless either:

(a). there has been an arm's length transfer of ownership between unrelated companies (not affiliates), and either the location has been out of operations for at least three months; or

(b). the secretary determines that the jobs would have likely been lost to the state absent the transfer (under such circumstances jobs at the re-opened plant are deemed not to have previously existed for purposes of Subparagraph 2.b. below); or

(c). the employee is an approved rehired employee.

2. in a job (a position of employment) that:

a. is with an employer that has qualified for the incentive rebate;

b. did not exist in this state prior to the advance notification being filed by the employer with the department pursuant to the provisions of R.S. 51:2455; and

c. is not part of the employment baseline;

d. is based at the project site, as determined by the department considering the employee's physical work site, the site to which the employee reports or which administers the employment, the site from which the employee receives work, and the nature of the business;

3. the following jobs are not new direct jobs:

a. jobs created as a result of the employer securing a contract to supply goods and services in the state of Louisiana, if another business was under an obligation to supply the same goods and services from a facility located in Louisiana and such obligation was terminated within three months prior to creation of the job by the employer;

b. jobs transferred, or jobs associated with work or sales transferred, from other Louisiana sites as a result of the employer (including affiliates) acquiring a business operation, or substantially all of its assets, and continuing the business operation.

Physical Presence—the department shall consider all relevant evidence in evaluating multi-state presence, including, but not limited to; the location of offices, facilities, tangible property and employees. Ancillary services provided through use of technology, without more, shall be insufficient to establish a physical presence.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:961 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2306 (November 2003), amended by the Office of Business Development, LR 37:2588 (September 2011), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1105. Qualified Employers

A. For companies subject to the provisions of Act 387, to qualify for a Quality Jobs Program contract, an employer must meet the following requirements.

1 - 5d. ...

B. For companies subject to the provisions of Act 386, to qualify for a Quality Jobs Program contract, an employer must meet the following requirements.

1. Eligible Businesses. The nature of the employer's business must fall within one of the following categories:

a. the employer is in one of the following industries:

- i. biotechnology, biomedical, and medical industries serving rural hospitals;
- ii. micromanufacturing;
- iii. software, Internet or telecommunications technologies;
- iv. clean energy technology;
- v. ~~food technologies; or~~
- vi. advanced materials.

b. the employer is a manufacturer whose primary function is identified by NAICS Codes 113310, 211, 213111, 541360, 311-339, 511-512, or 54171;

c. the employer is an oil and gas field services business identified by the NAICS Code 213112, that has Louisiana as the national or regional headquarters of a multi-state business whose service territory includes at least Louisiana and the Gulf of Mexico;

d. the employer is a business that has, or within one year will have, at least 50 percent of its total annual sales to:

- i. out-of-state customers or buyers;
- ii. in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use; or
- iii. the federal government;
- iv. an independent Louisiana certified public accountant shall annually verify that the contract site meets the out-of-state sales requirement, in accordance with guidelines provided by the department.

e. the employer is a business that is located in a parish which is within the lowest twenty-five percent of parishes based on per capita income. An employer that qualifies for a contract under this Item at the time of the initial quality jobs contract executed pursuant to this Chapter shall remain qualified for a contract through and during the

renewal period regardless of any change in the per capita income of the parish,

f. the employer is the corporate headquarters of a multi-state business;

g. the employer is a business that spends fifty percent or more of its time performing services for its out-of-state parent company. These services include, but are not limited to, legal, marketing, finance, information technology, order management, distribution center operations or overall operations support.

h. the employer is in the business of maintenance, repair, and overhaul operations for commercial transport aircraft.

2. Ineligible Businesses. The following employers or persons shall not be eligible for benefits provided under this Chapter:

a. retail employers identified by NAICS Code Sections 44 and 45, except that:

i. COVID-19-impacted retail employers identified by the NAICS Codes of 44 and 45 that have no more than 50 employees nationwide including affiliates on the date of the filing of the advance notification shall be eligible to participate in this rebate program if such employers file or enter into an advance notification on or after July 1, 2020, and on or before December 31, 2021. However, no such COVID-19-impacted retail business employer shall be eligible to earn benefits pursuant to the provisions of this Chapter after June 30, 2023.

b. business associations and professional organizations identified by NAICS Code 8139;

c. state and local government enterprises;

d. real estate agents, operators, and lessors;

e. automotive rental and leasing;

f. local solid waste disposal, local sewage systems, and local water systems businesses;

g. nonprofit organizations, unless the department determines that the new direct jobs created by the organization would have a significant impact on Louisiana;

h. employers engaged in the gaming industry identified by NAICS Code sections 713210 and 721120; and

i. professional services firms assigned a NAICS code beginning with 54, unless the business can demonstrate that more than fifty percent of its services are provided to out-of-state customers or for the corporate headquarters of a multi-state business or if the employer can demonstrate that the company has or will have one year sales of at least fifty percent of its total sales out-of-state customers or buyers, to in-state customers or buyers or buyers if the products or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government.

j. construction companies, unless the company is the corporate headquarters of a multi-state business or can demonstrate that the company has, or will have within one year, sales of at least fifty percent of its total sales to either out-of-state customers or the federal government.

k. all businesses assigned a NAICS code beginning with 5613.

l. medical professionals assigned a NAICS code beginning with 62, except for those engaged in biomedical industries, biotechnology industries or those who provide services to rural hospitals or those who provide services or

will within one year provide services to a patient base made up of at least 50 percent out-of-state patients.

m. Out-of-state sales or out-of-state patient requirements can be demonstrated by submission of documents including, but not limited to, a report issued by an independent Louisiana certified public accountant, in accordance with guidelines provided by the department.

3. Minimum New Direct Jobs and Annual Gross Payroll.

a. New direct jobs. The employer must create a minimum of:

i. five new direct jobs for companies who employ 50 or fewer baseline employees, or

ii. fifteen new direct jobs for companies who employ more than 50 baseline employees .

b. Annual Gross Payroll. The employer must have an annual gross payroll of;

i. equal to or greater than \$225,000, for companies who employ 50 or fewer employees prior to the beginning of the contract, or

ii. jobs equal to or greater than \$675,000, for companies who employ more than 50 employees prior to the beginning of the contract.

c. The employer shall have the required annual payroll for new direct jobs and the minimum number of new direct jobs for the employer's fiscal year for which the employer is applying for its third annual rebate, or the contract is cancelled and any rebates received must be repaid.

4. Full-Time Employee Work Hours

a. The employer must employ full-time employees working 30 or more hours per week in new direct jobs.

5. Health Benefits. The employer must offer, or will offer within 90 days of the contract effective date, a basic health benefits plan or health insurance coverage to the ~~individuals it employs in new direct jobs, in compliance with~~ federally mandated healthcare requirements or, if no federally mandated healthcare requirements exist, is determined to have a value of at least \$1.25 per hour. The employer must offer health insurance coverage for the dependents of full-time employees.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:963 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2307 (November 2003), amended by the Office of Business Development, LR 37:2590 (September 2011), LR 42:865 (June 2016), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1107. Application Fees, Timely Filing

A. ...

B. An application for the Quality Jobs Program must be filed with the Office of Business Development, Business Incentives Services, through the department's online fastlane portal no later than 24 months after the department has received the advance notification and fee, except that upon request, a business shall receive a 30-day extension of time in which to file its application, provided that the request for extension is received by the department no later than the filing deadline. Failure to file an application within the

prescribed timeframe will result in the expiration of the advance notification.

1. The application shall include a detailed project description clearly stating the nature and scope of the proposed project. For example, whether the project is the construction of a new facility, renovation of an existing facility, or an increase in workforce. Where possible, identify specific project goals, milestones and costs that may be verified by both the department and LDR for subsequent contract compliance review.

2. Applications submitted by COVID-19 impacted retail businesses shall include support documentation evidencing a physical and active operation in Louisiana on March 13, 2020, and that it ceased operations due to either one of the governor's public health emergency proclamations or a mayor's proclamation or executive order related to the public health emergency, or a decrease in customer activity or the inability to retain sufficient staff due to the COVID-19 public health emergency.

C. – C.3....

D. An application to renew a contract shall be submitted with an application fee and filed within six months prior to the initial contract expiring. The board may approve a request for renewal of an expired contract filed less than five years after expiration of the initial contract, and may impose a penalty for the late filing of the renewal request, including a reduction of the five-year renewal period.

1. The application for renewal shall include a detailed project description stating the nature and scope of the project.

E. ...

F. Applications may be deferred to a later board meeting date at the request of the applicant, but shall not exceed presentation at a board meeting occurring more than 12 months after the filing of the application, except as otherwise approved by LED.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:963 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2308 (November 2003), amended by the Office of Business Development, LR 37:2591 (September 2011), LR 41:1085 (June 2015), LR 42:865 (June 2016), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1109. Application Review and Determination

A. – A1 ...

2. The application packet must be completed through the department's online Fastlane portal by the due date. If the application is incomplete, the department may request additional information prior to further action. The application fee must accompany the application packet pursuant to §1107.C.

3. ...

4. LED reserves the right to request missing information, which shall be provided to LED within 60 days. Applications with missing or inadequate information after this time frame shall be considered late filings.

B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:964 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2308 (November 2003), amended by the Office of Business Development, LR 37:2591 (September 2010), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1111. Consultation with the LWC and the LDR

A. ...

B. The department must receive a letter-of-no-objection or a letter-of-approval from the LWC and the LDR, prior to submitting the application to the board for action. If LWC or LDR issues an objection to an application other than an objection because an applicant is in active negotiations with, under audit by or in litigation with the department issuing the objection, the applicant has six months to clear the objection or the application shall be cancelled. The six-month period shall begin on the date LED sends written notification to the company of the objection received from LWC or LDR. Applicants may demonstrate active negotiation to LED by providing written documentation periodically, but at least every 6 months, of ongoing, bilateral communications between the applicant or its representative and LWC or LDR as applicable, even if such communication begins after the objection was issued, or other written verification as approved by LED.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:964 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2309 (November 2003), amended by the Office of Business Development, LR 37:2592 (September 2011), LR 42:866 (June 2016), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1117. The Contract

A. The board, after no objection from the executive director of the LWC and secretary of the LDR, and with the approval of the governor, may enter into a contract with an employer for a period up to five years. The business must execute its portion of the contract and return it to Business Incentive Services within 90 days. If the contract is not returned within 90 days, the board's approval shall be deemed rescinded.

1. ...

2. Upon written approval of the department, an employer may have one additional contract in effect for a project site for a subsequent expansion project that is distinct from the project associated with the original contract, and that increases the number of new direct jobs at the site by at least 25 percent. If new direct jobs are not increased by at least 25 percent by the end of the third fiscal year of the additional contract, the contract shall be terminated and all benefits for the site shall be determined under the original contract.

3. - 5. ...

6. A contract shall be limited to one employer receiving payroll rebates, however the employer's named related entity or affiliate may generate a sale and use tax rebate or project facility expense rebate for their

expenditures directly relating to the project site, but payable to the contract holder, if the following conditions are met:

- a. the employer meets all program requirements;
- b. the entity is disclosed by the employer in its application; or

c. the entity is listed in the contract attachment Schedule One, which may be amended with the approval of the department and the board.

7. A fee of \$250 shall be filed with a request for any contract amendment, including but not limited to, a change of ownership, change in name, or change in location.

B. - E.1 ...

2. After the employer's fiscal year for which the employer applied for his third annual rebate, if at any other time during the 10-year contract period the employer applies for a rebate following the end of the employer's fiscal year, and the verified gross payroll for the fiscal year does not demonstrate the required minimum new direct jobs and the required gross payroll, the rebates shall be suspended and shall not be resumed until such time as the payroll and job requirements are met. No rebate (payroll rebate, sales and use tax rebate or project facility expense rebate) shall accrue or be paid to the employer during a period of suspension.

F. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:965 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2309 (November 2003), amended by the Office of Business Development, LR 37:2592 (September 2011), LR 42:866 (June 2016), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1118. Project Completion

A. All companies, whether seeking a payroll rebate, sales and use tax rebate or project facility expense rebate, shall file a minimum of one project completion report and one affidavit of final cost as follows.

1. An applicant may file a preliminary project completion report no earlier than with its third fiscal year filing, but no later than with the filing of a final project completion report.

2. An applicant shall file a final project completion report within six months after the project ending date or the governor's signature on the contract, whichever is later.

3. No more than two project completion reports (one preliminary and one final report) may be filed per five year contract period.

4. Project completion reports shall be submitted through the department's online Fastlane portal.

5. A fee of \$250 shall accompany all project completion report filings, or any project completion report amendment filings.

B. The project completion report shall confirm the beginning of the project, the project ending date, and the incentive benefits elected. Local sales and use tax rebate is not available if the project facility expense rebate is elected.

C. The affidavit of final cost shall list all eligible purchases and qualified expenditures for the project, with a description of the buildings, equipment, or other assets, and the cost of each item.

D. After completion of the project and the governor's signature of the contract, the department shall sign the project completion report and forward copies to the business, the Department of Revenue, and any political subdivision rebating local sales and use tax.

E. The basis for rebate claims (sales and use tax rebate or project facility expense rebate) shall not exceed the costs listed on the affidavit of final cost.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 48:

§1119. Payroll Incentive Rebates

A. - I. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:965 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2310 (November 2003), amended by the Office of Business Development, LR 37:2593 (September 2011), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1120. Sales and Use Tax Rebate or Project Facility Expense Rebate

A. Project Facility Expense Rebate

1. The project facility expense rebate is earned in the year in which the project is placed in service, and is based upon all qualified capitalized expenditures related to the project as of the date it is placed in service.

a. Qualified expenditures include intangible costs such as architectural and/or engineering fees prior to the contract effective date.

b. The project facility expense rebate may not be elected if more than 50 percent of the qualified expenditures relating to the project are incurred before the filing of the advance notification.

2 The project facility expense rebate claim must be filed with the Department of Revenue, Taxpayer Compliance—SSEW Division, with the required documentation.

3. The project facility expense rebate may be taken on qualified expenditures that are related to the project and are placed in service during the project period. The project facility expense rebate applies to the assets that are related to the qualified expenditures, provided that the business reasonably intends for such assets to remain at the project site for their expected useful life. The assets may be recorded on the financial statements of a company that is an affiliate of the business.

4. The claim for the project facility expense rebate must be filed with the Department of Revenue no later than six months after the Department of Economic Development signs a project completion report and it is received by the Department of Revenue, the political subdivision, and the business. The project completion report shall not be signed until the project is complete and the contract has been approved by the board and the governor. Upon request, the business shall receive a 30-day extension of time in which to file its claim, provided such request for extension is received by the Department of Revenue prior to the expiration of such filing period. The Department of Revenue is also authorized to grant the business an additional extension of time, not to

exceed 60 days, in which to file its claim provided that the business shows reasonable cause for granting such extension.

B. Sales and Use Tax Rebates

1. The Quality Jobs Program contract will not authorize the business to make tax exempt purchases from vendors. The Department of Revenue will advise the business on the proper procedures to obtain the state sales and use tax rebate. The request for rebate of sales and use taxes must be made by filing a claim with the Department of Revenue, Taxpayer Compliance – SSEW Division, and must include the following:

a. list of eligible purchases, including a brief description of each item, the vendor's name, date of the delivery, sales price and the amount of state sales and use tax paid. The listed items must have been purchased by the business, or by a builder, a contractor, or other party that contracted with the owner to provide materials, equipment, machinery, or software that is used by the business at the project site or by the contract holders named affiliates listed in the Quality Jobs Program contract. Invoices as required under R.S. 51:2457 shall also be required;

b. certification that the listed materials are reasonably expected to qualify for a rebate under the Quality Jobs Program; and

c. certification that state sales and use taxes have been paid on the listed items.

2. The request may be filed on the official Department of Revenue "claim for rebate" form or on other LDR approved forms prepared by the business. After the Department of Revenue has validated the information on the claim for rebate, a rebate check will be issued for the amount of substantiated state sales and use taxes paid.

3. The request for rebate must be filed with the Louisiana Department of Revenue, and the political subdivision rebating local sales and use tax, no later than six months after the Department of Economic Development signs a project completion report and sends it to the Department of Revenue, the political subdivision, and the business, or no later than 30 days after the end of the calendar year and must be accompanied by the signed project completion report. Upon request, the business shall receive a 30-day extension of time in which to file its claim, provided such request for extension is received by the Department of Revenue prior to the expiration of such filing period. The Department of Revenue is also authorized to grant the business an additional extension of time, not to exceed 60 days, in which to file its claim, provided that the business shows reasonable cause for granting such extension.

4. The business should contact the political subdivision issuing the endorsement resolution to determine the procedure for local sales and use tax rebate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 48:

§1121. Rebate Payments

A. In addition to the payroll rebates, an employer shall be entitled to sales and use tax rebates or the project facility expense rebate—as authorized in R.S. 51:2456, if the employer meets the hiring requirements of R.S. 51:2455 Program and meets the other limitations, procedures, and

requirements of R.S. 51:2456 and 2457 and the rules promulgated there under, Louisiana Administrative Code, Title 13, Part I, Chapter 11.

B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2310 (November 2003), amended by the Office of Business Development, LR 37:2593 (September 2011), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1123. Rebate Claim Filing

A. Payroll Rebate

1. An annual certification and a fee of \$250 shall be filed annually, commencing within six months after completion of the applicant's fiscal year or execution of the contract, whichever is later. The department may grant an extension of up to an additional sixty days provided the extension is requested prior to the filing deadline. Failure to file an annual certification within the prescribed timeframe may result in the annual rebate being denied or restricted. An annual certification is required in each year the contract is active, irrespective of whether annual rebates are being claimed.

2. - 4. ...

5. If the actual verified annual gross payroll for the employer's third fiscal year does not show a minimum of 15 or five new direct jobs and does not equal or exceed a total annual payroll for new direct jobs of either \$675,000 or \$225,000, whichever is applicable, the employer will be determined to be ineligible under this Chapter. The LDR will be notified and the tax liability for the current tax period in which the failure to meet the requirements occurs shall be increased by the amount of rebates previously allowed.

6. ...

B. Sales and Use Tax Rebate or Project Facility Expense Rebate

1. An annual employee certification report with a \$250 annual employee certification report fee must be filed on all active contracts for the employer to qualify for the sales and use tax rebate or project facility expense rebate under this Chapter.

2. Sales and Use Tax Rebate or Project Facility Expense Rebate—Advance Notification. An employer who receives a Quality Jobs Program contract and who meets the requirements for sales and use tax rebates as authorized in R.S. 51:2456 and §1121 of these rules, will satisfy the advance notification requirement for sales and use tax rebates or project facility expense rebate for the Quality Jobs Act contract by submission of the Quality Jobs Program advance notification referred to in §1107 of these rules. The sales and use tax rebate or project facility expense rebate period shall begin on the contract effective date, unless otherwise provided in the contract, and shall be no longer than five years, and shall not extend beyond the term of the Quality Jobs Program contract. In order to receive rebates of local sales and use taxes, the employer must satisfy the provisions of §1121.B of these rules.

3. No more than two project facility expense rebate claims may be filed during each five year contract period.

4. Sales and use tax rebates claims may be filed on a monthly, quarterly or annual basis during each five year

contract period, at the discretion of the company receiving the benefit, as long as all requirements for issuance have been met.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2311 (November 2003), amended by the Office of Business Development, LR 37:2594 (September 2011), LR 42:866 (June 2016), amended by the Department of Economic Development, Office of Business Development, LR 48:

Public Comments

Interested persons should submit written comments on the proposed Rules to Stephanie Le Grange through the close of business on Tuesday, May 24, 2022 at Department of Economic Development, 617 North 3rd 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 10 a.m. on Wednesday, May 25, 2022 in the Griffon Conference Room at the LaSalle Building, 617 North 3rd Street, Baton Rouge, LA 70802.

Anne G. Villa
Undersecretary

2204#066

POTPOURRI

Department of Environmental Quality Office of the Secretary Legal Affairs and Criminal Investigations Division

Notice of Public Hearing—Substantive Changes to Proposed Rule RP067, Regulation and Licensing of Naturally Occurring Radioactive Material (NORM) (LAC 33:XV.Chapter 14)

Under the authority of the Environmental Quality Act, R.S. 30:2001 et seq., and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the secretary gives notice that the department is seeking to incorporate substantive changes to proposed regulation (LAC 33:XV.1403, 1410, 1411, 1412) (Log # RP067S), which was originally noticed as RP067 in the August 20, 2021, issue of the *Louisiana Register*. (2204Pot1)

The department has proposed substantive changes to address comments received during the public comment period of proposed rule RP067. The changes clarify the proposed rule language. In the interest of clarity and transparency, the department is providing public notice and opportunity to comment on the proposed changes to the amendments of the regulation in question. The department is also providing an interim response to comments received on the initial regulation proposal.

A strikeout/underline/shaded version of the proposed rule that distinguishes original proposed language from language changed by this proposal and the interim response to comments are available on the department's website under

The proposed rule changes are not anticipated to increase or decrease costs to the market.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule changes are not anticipated to influence competition or employment.

Dane K. Morgan
Assistant Commissioner
2201#047

Alan M. Boxberger
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Economic Development
Office of Business Development**

Quality Jobs Program (LAC 13:I.Chapter 11)

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., and R.S. 36:104, hereby proposes to amend the Rules for the Quality Jobs Program (LA R.S. 51:2451, et seq.) to better align the rules with current statutory provisions and administrative practices, as required by portions of Act 386 of the 2017 Regular Session and Act 29 of the 2020 First Extraordinary Session of the Louisiana Legislature.

Title 13

ECONOMIC DEVELOPMENT

Part I. Financial Incentive Programs

Chapter 11. Quality Jobs Program

§1101. General

A. - B.1. ...

2. The employer may be entitled to sales and use tax rebates or the project facility expense rebate—authorized in R.S. 51: 2456 (B) (1), in addition to the requirements of this Chapter.

C. Effective date of Act 387 of the 2007 Regular Session

1. The provisions of Act 387 shall apply to all advance notification filed prior to July 1, 2017, except as provided below.

2. - 4. ...

D. Effective date of Act 386 of the 2017 Regular Session

1. The provisions of Act 386 shall apply to advance notifications filed on or after July 1, 2017, except as provided below.

a. a COVID-19-impacted retail business, hotel or restaurant, that has no more than 50 employees nationwide including affiliates on the date of the filing of the advance notification and which is assigned a NAICS Code of 44, 45, 721, or 722, and which files or enters into an advance notification on or after July 1, 2020, and on or before December 31, 2021, shall be eligible for benefits. However, no such COVID-19-impacted business employer shall be eligible to earn benefits pursuant to the provisions of this Chapter after June 30, 2023.

2. The provisions of Act 387 shall apply to advance notifications for companies meeting the provisions of section 4 of Act 386, as approved by the department.

E. Effective date of the 2022 Quality Jobs Program rule changes.

1. The provisions of the 2022 Quality Jobs Program rule changes shall apply to advance notifications filed after the date of promulgation, detailed in the Louisiana Register published on (Month) 20, 2022, or unless otherwise stipulated by the Louisiana Legislature, in §1101.C and D.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:961 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2305 (November 2003), amended by the Office of Business Development, LR 37:2587 (September 2011), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1103. Definitions

Act 386—Act 386 of the 2017 Regular Session of the Louisiana Legislature

Approved Rehire Employees—a former employee who was previously on the payroll of the Company, parent entity, subsidiary, or affiliate in Louisiana, but has been off such payroll for a period of at least twelve months, may be considered a New Direct Job if rehired into a position that is not part of the Baseline Jobs. When determining New Direct Job qualifications, the department shall consider all relevant factors including but not limited to; ES4's, W2's and Company re-hiring practices, and the intent of the program to permanently locate new or expand existing operations in Louisiana.

Basic Health Benefits Plan or the Health Insurance Coverage—that which is required to be offered shall include individual coverage for basic hospital care, coverage for physician care, and coverage for health care which shall be the same as that provided to executive, administrative, or professional employees. Coverage must become effective no later than the first day of the month 90 days after hire date. For companies subject to provisions of Act 386, the coverage shall be in compliance with federally mandated health care requirements but if no such federally mandated requirements exist, the coverage for the employer portion of employee only coverage shall have a value of at least one dollar and twenty-five cents per hour.

Benefit Rate—one of the following percentages:

1. contracts subject to the provisions of Act 386:
 - a. the benefit rate shall be 4 percent for new direct jobs which pay at least \$18 per hour in wages;
 - b. the benefit rate shall be 6 percent for new direct jobs which pay at least \$21.66 per hour in wages
2. contracts subject to the provisions of Act 387:
 - a. the benefit rate shall be 5 percent for new direct jobs which pay at least \$14.50 per hour in wages and health care benefits;
 - b. the benefit rate shall be 6 percent for new direct jobs which pay at least \$19.10 per hour in wages and health care benefits;
 - c. health care benefits paid shall be the value of the health care benefits plan elected by an employee, as determined by the department;

3. contracts not subject to the provisions of Act 386 or Act 387:

a. the benefit rate shall be 5 percent for new direct jobs which pay at least 1 3/4 times the federal minimum hourly wage rate;

b. the benefit rate shall be 6 percent for new direct jobs which pay at least 2 1/4 times the federal minimum hourly wage rate and meet one of the following criteria:

i. the new direct jobs are located in a distressed region, or at least 50 percent of the new direct jobs shall be filled by persons who reside in a distressed region;

ii. the new direct jobs are with an employer categorized in a traditional or seed cluster targeted by the department.

Corporate Headquarters of a Multi-State Business—a multi-state business whose primary function is identified by NAICS 55114.

COVID-19-Impacted Retail Business—a for-profit corporation, a limited liability company, a partnership, or a sole proprietorship that had a physical and active operation in Louisiana on March 13, 2020, and ceased operations due to either one of the governor's public health emergency proclamations or a mayor's proclamation or executive order related to the public health emergency, or a decrease in customer activity or the inability to retain sufficient staff due to the COVID-19 public health emergency, as approved by the Department.

Distressed Region—for companies subject to the provisions of Act 387, as designated by the department:

1. a parish with a per capita income in the lowest 25 percent of the parishes; or

2. a census tract and block group that is below the state median per capita income, based on the most recent federal decennial census.

Domicile—the place of a person's principal establishment or habitual residence. A change of domicile may be shown by positive and satisfactory proof of establishment of domicile as a matter of fact with the intention of remaining in the new place and of abandoning the former domicile. Such proof may include a sworn declaration of intent recorded in the parish to which a person intends to move, voter registration, or similar evidence of such intent. Workers in the United States who are working on an H-1B Visa are not deemed to be domiciled in Louisiana.

Employment Baseline—the median statewide number of employees of an employer, including affiliates, working the average hours per week required in §1105, excluding employees engaged in lines of business that the department determines are unrelated to the activities for which quality job program benefits are sought, during the payroll periods including the twelfth day of the month, in the last twelve months completed prior to the contract effective date (the median is calculated by discarding the months with the highest and lowest number of employees, and averaging the number in the remaining ten months). The employment baseline must be maintained in any year for which the employer requests payroll rebates. The employment baseline may be reduced by the number of employees retained and continued in employment for at least one year by an

unrelated third party business acquiring a site or line of business.

Multi-State Business—a business entity operating in more than one state, with a physical presence in more than one state, as approved by the department.

LED—the Louisiana Department of Economic Development

New Direct Job—employment at a Louisiana site:

1. of an employee:

a. whose domicile is in the state of Louisiana;

b. working the average hours per week required by §1105; and

c. who prior to the contract effective date was not on the payroll in Louisiana of:

i. the employer;

ii. the employer's parent entity, subsidiary, or affiliate; or

iii. any business whose physical plant and employees were or are substantially the same as those of the employer, unless either:

(a). there has been an arm's length transfer of ownership between unrelated companies (not affiliates), and either the location has been out of operations for at least three months; or

(b). the secretary determines that the jobs would have likely been lost to the state absent the transfer (under such circumstances jobs at the re-opened plant are deemed not to have previously existed for purposes of Subparagraph 2.b. below); or

(c). the employee is an Approved Rehire Employee.

2. in a job (a position of employment) that:

a. is with an employer that has qualified for the Incentive rebate;

b. did not exist in this state prior to the advance notification being filed by the employer with the department pursuant to the provisions of R.S. 51:2455; and

c. is not part of the employment baseline;

d. is based at the project site, as determined by the department considering the employee's physical work site, the site to which the employee reports or which administers the employment, the site from which the employee receives work, and the nature of the business;

3. the following jobs are not new direct jobs:

a. jobs created as a result of the employer securing a contract to supply goods and services in the state of Louisiana, if another business was under an obligation to supply the same goods and services from a facility located in Louisiana and such obligation was terminated within three months prior to creation of the job by the employer;

b. jobs transferred, or jobs associated with work or sales transferred, from other Louisiana sites as a result of the employer (including affiliates) acquiring a business operation, or substantially all of its assets, and continuing the business operation.

Physical Presence—the department shall consider all relevant evidence in evaluating multi-state presence, including, but not limited to; the location of offices, facilities, tangible property and employees. Ancillary

services provided through use of technology, without more, shall be insufficient to establish a physical presence.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:961 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2306 (November 2003), amended by the Office of Business Development, LR 37:2588 (September 2011), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1105. Qualified Employers

A. For companies subject to the provisions of Act 387, to qualify for a Quality Jobs Program contract, an employer must meet the following requirements.

1. - 5.d....

B. For companies subject to the provisions of Act 386, to qualify for a Quality Jobs Program contract, an employer must meet the following requirements.

1. Eligible Businesses. The nature of the employer's business must fall within one of the following categories;

a. the employer is in one of the following industries:

- i. biotechnology, biomedical, and medical industries serving rural hospitals;
- ii. micromanufacturing;
- iii. software, Internet or telecommunications technologies;
- iv. clean energy technology;
- v. food technologies; or
- vi. advanced materials;

b. the employer is a manufacturer whose primary function is identified by NAICS Codes 113310, 211, 213111, ~~541360, 311-339, 511-512, or 54171,~~

c. the employer is an oil and gas field services business identified by the NAICS Code 213112, that has Louisiana as the national or regional headquarters of a multi-state business whose service territory includes at least Louisiana and the Gulf of Mexico;

d. the employer is a business that has, or within one year will have, at least 50 percent of its total annual sales to:

- i. out-of-state customers or buyers;
- ii. in-state customers or buyers if the product or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use; or
- iii. the federal government;
- iv. an independent Louisiana certified public accountant shall annually verify that the contract site meets the out-of-state sales requirement, in accordance with guidelines provided by the department;

e. the employer is a business that is located in a parish which is within the lowest 25 percent of parishes based on per capita income. An employer that qualifies for a contract under this Item at the time of the initial quality jobs contract executed pursuant to this Chapter shall remain qualified for a contract through and during the renewal period regardless of any change in the per capita income of the parish,

f. the employer is the corporate headquarters of a multi-state business;

g. the employer is a business that spends fifty percent or more of its time performing services for its out-of-state parent company. These services include, but are not limited to, legal, marketing, finance, information technology, order management, distribution center operations or overall operations support.

h. the employer is in the business of maintenance, repair, and overhaul operations for commercial transport aircraft.

2. Ineligible Businesses. The following employers or persons shall not be eligible for benefits provided under this Chapter:

a. retail employers identified by NAICS Code Sections 44 and 45, except that;

i. COVID-19-impacted retail employers identified by the NAICS Codes of 44 and 45 that have no more than 50 employees nationwide including affiliates on the date of the filing of the advance notification shall be eligible to participate in this rebate program if such employers file or enter into an advance notification on or after July 1, 2020, and on or before December 31, 2021. However, no such COVID-19-impacted retail business employer shall be eligible to earn benefits pursuant to the provisions of this Chapter after June 30, 2023;

b. business associations and professional organizations identified by NAICS Code 8139;

c. state and local government enterprises;

d. real estate agents, operators, and lessors;

e. automotive rental and leasing;

f. local solid waste disposal, local sewage systems, and local water systems businesses;

g. nonprofit organizations, unless the department determines that the new direct jobs created by the organization would have a significant impact on Louisiana;

h. employers engaged in the gaming industry identified by NAICS Code sections 713210 and 721120; and

i. professional services firms assigned a NAICS code beginning with 54, unless the business can demonstrate that more than fifty percent of its services are provided to out-of-state customers or for the corporate headquarters of a multi-state business or if the employer can demonstrate that the company has or will have one year sales of at least 50 percent of its total sales out-of-state customers or buyers, to in-state customers or buyers or buyers if the products or service is resold by the purchaser to an out-of-state customer or buyer for ultimate use, or to the federal government;

j. construction companies, unless the company is the corporate headquarters of a multi-state business or can demonstrate that the company has, or will have within one year, sales of at least fifty percent of its total sales to either out-of-state customers or the federal government;

k. all businesses assigned a NAICS code beginning with 5613;

l. medical professionals assigned a NAICS code beginning with 62, except for those engaged in biomedical industries, biotechnology industries or those who provide services to rural hospitals or those who provide services or will within one year provide services to a patient base made up of at least fifty percent out-of-state patients;

m. Out-of-state sales or out-of-state patient requirements can be demonstrated by submission of

documents including, but not limited to, a report issued by an independent Louisiana certified public accountant, in accordance with guidelines provided by the department.

3. Minimum New Direct Jobs and Annual Gross Payroll

a. **New Direct Jobs.** The employer must create a minimum of:

i. five new direct jobs for companies who employ 50 or fewer baseline employees, or

ii. 15 new direct jobs for companies who employ more than 50 baseline employees.

b. **Annual Gross Payroll.** The employer must have an annual gross payroll of:

i. equal to or greater than \$225,000, for companies who employ 50 or fewer employees prior to the beginning of the contract; or

ii. jobs equal to or greater than \$675,000, for companies who employ more than 50 employees prior to the beginning of the contract.

c. The employer shall have the required annual payroll for new direct jobs and the minimum number of new direct jobs for the employer's fiscal year for which the employer is applying for its third annual rebate, or the contract is cancelled and any rebates received must be repaid.

4. Full-Time Employee Work Hours

a. The employer must employ full-time employees working 30 or more hours per week in new direct jobs.

5. Health Benefits. The employer must offer, or will offer within 90 days of the contract effective date, a basic health benefits plan or health insurance coverage to the individuals it employs in new direct jobs, in compliance with federally mandated healthcare requirements or, if no federally mandated healthcare requirements exist, is determined to have a value of at least \$1.25 per hour. The employer must offer health insurance coverage for the dependents of full-time employees.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:963 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2307 (November 2003), amended by the Office of Business Development, LR 37:2590 (September 2011), LR 42:865 (June 2016), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1107. Application Fees, Timely Filing

A. ...

B. An application for the Quality Jobs Program must be filed with the Office of Business Development, Business Incentives Services, through the department's online Fastlane portal no later than 24 months after the department has received the advance notification and fee, except that upon request, a business shall receive a thirty-day extension of time in which to file its application, provided that the request for extension is received by the Department no later than the filing deadline. Failure to file an application within the prescribed timeframe will result in the expiration of the advance notification.

1. The application shall include a detailed project description clearly stating the nature and scope of the

proposed project. For example, whether the project is the construction of a new facility, renovation of an existing facility, or an increase in workforce. Where possible, identify specific project goals, milestones and costs that may be verified by both the department and LDR for subsequent contract compliance review.

2. Applications submitted by COVID-19 impacted retail businesses shall include support documentation evidencing a physical and active operation in Louisiana on March 13, 2020, and that it ceased operations due to either one of the governor's public health emergency proclamations or a mayor's proclamation or executive order related to the public health emergency, or a decrease in customer activity or the inability to retain sufficient staff due to the COVID-19 public health emergency.

C. - C.3. ...

D. An application to renew a contract shall be submitted with an application fee and filed within six months prior to the initial contract expiring. The board may approve a request for renewal of an expired contract filed less than five years after expiration of the initial contract, and may impose a penalty for the late filing of the renewal request, including a reduction of the 5-year renewal period.

1. The application for renewal shall include a detailed project description stating the nature and scope of the project.

E. ...

F. Applications may be deferred to a later board meeting date at the request of the applicant, but shall not exceed presentation at a board meeting occurring more than 6 months after the filing of the application, except as otherwise approved by LED.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:963 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2308 (November 2003), amended by the Office of Business Development, LR 37:2591 (September 2011), LR 41:1085 (June 2015), LR 42:865 (June 2016), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1109. Application Review and Determination

A. - A.1. ...

2. The application packet must be completed through the department's online Fastlane portal by the due date. If the application is incomplete, the department may request additional information prior to further action. The application fee must accompany the application packet pursuant to §1107.C.

3. ...

4. LED reserves the right to request missing information, which shall be provided to LED within 60 days. Applications with missing or inadequate information after this time frame shall be considered late filings.

B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry,

Financial Incentives Division, LR 22:964 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2308 (November 2003), amended by the Office of Business Development, LR 37:2591 (September 2011), amended by the Department of Economic Development, Office of Business Development, LR 48:

§1111. Consultation with the LWC and the LDR

A. ...

B. The department must receive a letter-of-no-objection or a letter-of-approval from the LWC and the LDR, prior to submitting the application to the board for action. If LWC or LDR issues an objection to an application other than an objection because an applicant is in active negotiations with, under audit by or in litigation with the department issuing the objection, the applicant has six months to clear the objection or the application shall be cancelled. The six-month period shall begin on the date LED sends written notification to the company of the objection received from LWC or LDR. Applicants may demonstrate active negotiation to LED by providing written documentation periodically, but at least every 6 months, of ongoing, bilateral communications between the applicant or its representative and LWC or LDR as applicable, even if such communication begins after the objection was issued, or other written verification as approved by LED:

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:964 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2309 (November 2003), amended by the Office of Business Development, LR 37:2592 (September 2011), LR 42:866 (June 2016), LR 48:

§1117. The Contract

A. The board, after no objection from the executive director of the LWC and secretary of the LDR, and with the approval of the governor, may enter into a contract with an employer for a period up to five years. The business must execute its portion of the contract and return it to Business Incentive Services within 90 days. If the contract is not returned within 90 days, the board's approval shall be deemed rescinded.

1. ...

2. Upon written approval of the department, an employer may have one additional contract in effect for a project site for a subsequent expansion project that is distinct from the project associated with the original contract, and that increases the number of new direct jobs at the site by at least 25 percent. If new direct jobs are not increased by at least 25 percent by the end of the third fiscal year of the additional contract, the contract shall be terminated and all benefits for the site shall be determined under the original contract.

3. - 5. ...

6. A contract shall be limited to one employer receiving payroll rebates, however the employer's named related entity or affiliate may generate a sale and use tax rebate or project facility expense rebate for their expenditures directly relating to the project site, but payable to the contract holder, if the following conditions are met:

a. the employer meets all program requirements;

b. the entity is disclosed by the employer in its application; or

c. the entity is listed in the contract attachment Schedule One, which may be amended with the approval of the department and the board.

7. A fee of \$250 shall be filed with a request for any contract amendment, including but not limited to, a change of ownership, change in name, or change in location.

B. - E.1. ...

2. After the employer's fiscal year for which the employer applied for his third annual rebate, if at any other time during the 10-year contract period the employer applies for a rebate following the end of the employer's fiscal year, and the verified gross payroll for the fiscal year does not demonstrate the required minimum of five new direct jobs and the gross payroll does not equal or exceed a total of \$500,000 or \$250,000, whichever is applicable to said contract, the rebates shall be suspended and shall not be resumed until such time as the payroll and job requirements are met. No rebate (payroll rebate, sales and use tax rebate or project facility expense rebate) shall accrue or be paid to the employer during a period of suspension.

F. - F.3. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:965 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2309 (November 2003), amended by the Office of Business Development, LR 37:2592 (September 2011), LR 42:866 (June 2016), LR 48:

§1118. Project Completion

A. All companies, whether seeking a payroll rebate, sales and use tax rebate or project facility expense rebate, shall file a minimum of one project completion report and one affidavit of final cost as follows.

1. An applicant may file a preliminary project completion report no earlier than with its third fiscal year filing, but no later than with the filing of a final project completion report.

2. An applicant shall file a final project completion report within six months after the project ending date or the governor's signature on the contract, whichever is later.

3. No more than two project completion reports (one preliminary and one final report) may be filed per five year contract period.

4. Project completion reports shall be submitted through the department's online Fastlane portal.

5. A fee of \$250 shall accompany all project completion report filings, or any project completion report amendment filings.

B. The project completion report shall confirm the beginning of the project, the project ending date, and the incentive benefits elected. Local sales and use tax rebate is not available if the project facility expense rebate is elected.

C. The affidavit of final cost shall list all eligible purchases and qualified expenditures for the project, with a description of the buildings, equipment, or other assets, and the cost of each item.

D. After completion of the project and the governor's signature of the contract, the department shall sign the

project completion report and forward copies to the business, the Department of Revenue, and any political subdivision rebating local sales and use tax.

E. The basis for rebate claims (sales and use tax rebate or project facility expense rebate) shall not exceed the costs listed on the affidavit of final cost.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 48:

§1119. Payroll Incentive Rebates

A. - I. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Commerce and Industry, Financial Incentives Division, LR 22:965 (October 1996), amended by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2310 (November 2003), amended by the Office of Business Development, LR 37:2593 (September 2011), repromulgated LR 48:

§1120. Sales and Use Tax Rebate or Project Facility Expense Rebate

A. Project Facility Expense Rebate

1. The project facility expense rebate is earned in the year in which the project is placed in service, and is based upon all qualified capitalized expenditures related to the project as of the date it is placed in service.

a. Qualified expenditures include intangible costs such as architectural and/or engineering fees prior to the contract effective date.

b. The project facility expense rebate may not be elected if more than 50 percent of the qualified expenditures relating to the project are incurred before the filing of the advance notification.

~~2. The project facility expense rebate claim must be filed with the Department of Revenue, Taxpayer Compliance—SSEW Division, with the required documentation.~~

3. The project facility expense rebate may be taken on qualified expenditures that are related to the project and are placed in service during the project period. The project facility expense rebate applies to the assets that are related to the qualified expenditures, provided that the business reasonably intends for such assets to remain at the project site for their expected useful life. The assets may be recorded on the financial statements of a company that is an affiliate of the business.

4. The claim for the project facility expense rebate must be filed with the Department of Revenue no later than six months after the Department of Economic Development signs a project completion report and it is received by the Department of Revenue, the political subdivision, and the business. The project completion report shall not be signed until the project is complete and the contract has been approved by the board and the governor. Upon request, the business shall receive a 30-day extension of time in which to file its claim, provided such request for extension is received by the Department of Revenue prior to the expiration of such filing period. The Department of Revenue is also authorized to grant the business an additional extension of time, not to exceed 60 days, in which to file its claim provided that the

business shows reasonable cause for granting such extension.

B. Sales and Use Tax Rebates

1. The Quality Jobs Program contract will not authorize the business to make tax exempt purchases from vendors. The Department of Revenue will advise the business on the proper procedures to obtain the state sales and use tax rebate. The request for rebate of sales and use taxes must be made by filing a claim with the Department of Revenue, Taxpayer Compliance—SSEW Division, and must include the following:

a. list of eligible purchases, including a brief description of each item, the vendor's name, date of the delivery, sales price and the amount of state sales and use tax paid. The listed items must have been purchased by the business, or by a builder, a contractor, or other party that contracted with the owner to provide materials, equipment, machinery, or software that is used by the business at the project site or by the contract holders named affiliates listed in the Quality Jobs Program contract. Invoices as required under R.S. 51:2457 shall also be required;

b. certification that the listed materials are reasonably expected to qualify for a rebate under the Quality Jobs Program; and

c. certification that state sales and use taxes have been paid on the listed items.

2. The request may be filed on the official Department of Revenue "claim for rebate" form or on other LDR approved forms prepared by the business. After the Department of Revenue has validated the information on the claim for rebate, a rebate check will be issued for the amount of substantiated state sales and use taxes paid.

3. The request for rebate must be filed with the Louisiana Department of Revenue, and the political subdivision rebating local sales and use tax, no later than six months after the Department of Economic Development signs a project completion report and sends it to the Department of Revenue, the political subdivision, and the business, or no later than 30 days after the end of the calendar year and must be accompanied by the signed project completion report. Upon request, the business shall receive a 30-day extension of time in which to file its claim, provided such request for extension is received by the Department of Revenue prior to the expiration of such filing period. The Department of Revenue is also authorized to grant the business an additional extension of time, not to exceed 60 days, in which to file its claim, provided that the business shows reasonable cause for granting such extension.

4. The business should contact the political subdivision issuing the endorsement resolution to determine the procedure for local sales and use tax rebate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, LR 48:

§1121. Rebate Payments

A. In addition to the payroll rebates, an employer shall be entitled to sales and use tax rebates or the project facility expense rebate—as authorized in R.S. 51:2456, if the employer meets the hiring requirements of R.S. 51:2455 Program and meets the other limitations, procedures, and

requirements of R.S. 51:2456 and 2457 and the rules promulgated there under, Louisiana Administrative Code, Title 13, Part I, Chapter 11.

B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2310 (November 2003), amended by the Office of Business Development, LR 37:2593 (September 2011), LR 48:

§1123. Rebate Claim Filing

A. Payroll Rebate

1. An annual certification and a fee of \$250 shall be filed annually, commencing within six months after completion of the applicant's fiscal year or execution of the contract, whichever is later. The department may grant an extension of up to an additional sixty days provided the extension is requested prior to the filing deadline. Failure to file an annual certification within the prescribed timeframe may result in the annual rebate being denied or restricted. An annual certification is required in each year the contract is active, irrespective of whether annual rebates are being claimed.

2. - 4. ...

5. If the actual verified annual gross payroll for the employer's third fiscal year does not show a minimum of 15 or five new direct jobs and does not equal or exceed a total annual payroll for new direct jobs of either \$675,000 or \$225,000, whichever is applicable, the employer will be determined to be ineligible under this Chapter. The LDR will be notified and the tax liability for the current tax period in which the failure to meet the requirements occurs shall be increased by the amount of rebates previously allowed.

6. ...

B. Sales and Use Tax Rebate or Project Facility Expense Rebate

1. An annual employee certification report with a \$250 annual employee certification report fee must be filed on all active contracts for the employer to qualify for the sales and use tax rebate or project facility expense rebate under this Chapter.

2. Sales and Use Tax Rebate or Project Facility Expense Rebate—Advance Notification. An employer who receives a Quality Jobs Program contract and who meets the requirements for sales and use tax rebates as authorized in R.S. 51:2456 and §1121 of these rules, will satisfy the advance notification requirement for sales and use tax rebates or project facility expense rebate for the Quality Jobs Act contract by submission of the Quality Jobs Program advance notification referred to in §1107 of these rules. The sales and use tax rebate or project facility expense rebate period shall begin on the contract effective date, unless otherwise provided in the contract, and shall be no longer than 5 years, and shall not extend beyond the term of the Quality Jobs Program contract. In order to receive rebates of local sales and use taxes, the employer must satisfy the provisions of §1121.B of these rules.

3. No more than two project facility expense rebate claims may be filed during each 5 year contract period.

4. Sales and use tax rebates claims may be filed on a monthly, quarterly or annual basis during each 5 year contract period, at the discretion of the company receiving

the benefit, as long as all requirements for issuance have been met.

AUTHORITY NOTE: Promulgated in accordance with R.S. 51:2451-2462 et seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development, Business Resources Division, LR 29:2311 (November 2003), amended by the Office of Business Development, LR 37:2594 (September 2011), LR 42:866 (June 2016), amended by the Department of Economic Development, Office of Business Development, LR 48:

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 modifications to the Quality Jobs Program could cause a direct economic impact on some small COVID-19 impacted retail, restaurants and hotels that have no more than 50 employees who are newly eligible for the program, if meeting certain criteria. However, the benefit from additional funding received, at a nominal cost of some additional planning and paperwork associated with the application process and reporting requirements should provide a positive impact to any small businesses that choose to apply to the program.

Public Comments

Interested persons should submit written comments on the proposed Rules to Stephanie Le Grange through the close of business on Wednesday, March 2, 2022 at Department of Economic Development, 617 North 3rd 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 Thursday, March 3, 2022 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: Quality Jobs Program

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

There is no impact on expenditures of the Department of Economic Development (LED) as a result of the proposed rules that establish guidelines for the Quality Jobs Program. The program encourages certain businesses to locate or expand existing operations in Louisiana by offering rebates directly related to the new direct jobs created and the new annual gross payroll generated. The program offers payroll incentive rebates and sales and use tax rebate or project facility expense rebates. Also, the proposed amendments align the rules with the current

statutory provisions and administrative practices as required by portions of Act 386 of 2017 Regular Session of the Legislature and Act 29 of 2020 First Extraordinary Session. Administration of the program will be carried out utilizing existing staff and resources at LED.

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

There will be increased revenues (decreased costs) to the State General Fund (Direct) due to Act 386 of 2017, which implemented extensive changes and restrictions to the Quality Jobs program. These changes specifically resulted in three major changes that would impact the cost of the program:

- (A) Hourly wage requirement increased to \$21.66 per hour – the healthcare requirement remains but it cannot be included in the wage calculation. All companies that qualify will receive 6% payroll benefit. The 5% tier is eliminated completely. Wages between \$18.66 and \$21.65 will qualify for a 4% payroll benefit
- (B) Job requirements for businesses with greater than 50 existing employees would move from 5 to 15 new employees
- (C) Companies cannot qualify for Quality Jobs based on Census Tract Block Group status alone.

Other than the wages estimates, which were based on actual certified FY16 averages, the other calculations are based off of FY14-16 Quality Jobs applications. It was also assumed that all Sales and Use Rebates (S&U) or Investment Tax Credits (ITC) would be claimed in the third fiscal year of a company’s contract. Based on the above assumptions, the following savings estimates were calculated:

Year	(A) Fiscal impact based on change in wage requirements (\$ million)	(B) Fiscal impact based on change in number of employees (\$ millions)	(C) Fiscal impact based on Census Tract Block group change (\$ millions)	Total estimated fiscal impact (\$ millions)
FY22	\$7.9	\$4.3	\$12.8	\$25.0
FY23	\$8.8	\$4.8	\$14.3	\$27.9
FY24	\$9.7	\$5.2	\$15.7	\$30.6

There will be decreased revenues (increased costs) to the State General Fund (Direct) to the extent entities take advantage of the tax credits pursuant to the changes in the program as enacted in Act 29 of 2020 IES. The program allows businesses classified as COVID-19 impacted retail, hotels and restaurants, that have no more than 50 employees nationwide including affiliates, to participate in the program with advance notification filings from July 1, 2020 to December 31, 2021. Eligibility to earn benefits terminates after June 30, 2023. The extent of qualifying participation in the program is speculative; however, assuming 1% of the potentially eligible firms qualifying for participation and being rebated 4% of the minimum amount of participating payroll (5 employees at \$18/hour for 30 hours per week for 52 weeks) results in \$1.6 million per year of state payroll rebate cost exposure. Because historically nearly half of program costs are payroll subsidies, the Department of Economic Development estimates the full program cost exposure to be approximately \$3 million annually, beginning in FY24.

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

The income of new businesses participating in the program may decrease in comparison to existing approved businesses due to the heightened eligibility criteria and decreased benefits.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Companies receiving benefits under this program will gain competitively over companies that do not receive the program’s benefits.

Anne G. Villa
Undersecretary
2201#048

Alan M. Boxberger
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Board of Elementary and Secondary Education

Bulletin 118—Statewide Assessment Standards and Practices—Performance Standards (LAC 28:XI.6913)

In accordance with the provisions of R.S. 17:6(A)(10) and the Administrative Procedure Act (APA), R.S. 49:953(B)(1) et seq., the Board of Elementary and Secondary Education has LAC 28:XI: Subpart 3 in *Bulletin 118—Statewide Assessment Standards and Practices*. The aforementioned revisions are in response to new LEAP Connect assessment forms administered to eligible students in grades 3-8 and 11 in the spring of 2021. Specifically, the revisions update the reference of “scaled-scores” used in current policy to “scale scores;” update scale score ranges for English language arts, mathematics, and science; and update the labels for the four achievement levels previously identified as Level 1, 2, 3, and 4. This Declaration of Emergency, effective August 18, 2021, is for a period of 180 days from adoption, or until finally adopted as Rule.

**Title 28
EDUCATION**

**Part XI: Accountability/Testing
Subpart 3. Bulletin 118—Statewide Assessment Standards and Practices**

**Chapter 69. LEAP Alternate Assessment, Level 1
Subchapter D. Alternate Achievement Levels and Performance Standards
§6913. Performance Standards [Formerly LAC 28:CXI.1913]**

A. Performance standards for LEAP Connect English language arts, mathematics, and LEAP Connect science tests are finalized in scaled-score form.

B. LEAP Connect Alternate Achievement Levels and Scaled-Score Growth Ranges

1. English Language Arts and Mathematics Scaled Score Ranges

a. English Language Arts

English Language Arts				
Grade	Below Goal	Near Goal	At Goal	Above Goal
3	1200 - 1231	1232 - 1239	1240 - 1257	1258 - 1290
4	1200 - 1231	1232 - 1239	1240 - 1252	1253 - 1290
5	1200 - 1231	1232 - 1239	1240 - 1252	1253 - 1290
6	1200 - 1231	1232 - 1239	1240 - 1249	1250 - 1290
7	1200 - 1231	1232 - 1239	1240 - 1247	1248 - 1290
8	1200 - 1231	1232 - 1239	1240 - 1243	1244 - 1290
HS	1200 - 1231	1232 - 1239	1240 - 1258	1259 - 1290

Stephanie Le Grange

From: Rhonda Boatner <rboatner@didierconsultants.com>
Sent: Thursday, March 3, 2022 9:15 AM
To: Stephanie Le Grange
Subject: QJ Rules Hearing
Attachments: QJ New Rules - Questions March 2022 LED.docx

EXTERNAL EMAIL: Please do not click on links or attachments unless you know the content is safe.

Hello Stephanie,

Please see attached our only question/comment as it relates to the proposed QJ rules. Thank you

Kind Regards,

Rhonda K. Boatner

Director of Tax Incentives

Didier Consultants, Inc.

1575 Church Street, Bldg 3

Zachary, LA 70791

Main 225-658-6065 Ext. 26 | Mobile 225-405-5437

Email: rboatner@didierconsultants.com

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**Questions for QJ New Rules Hearing
March 3, 2022**

1. Page 13 – (1117)(E) – Shouldn't it read "...five new direct jobs or 15 new direct jobs..." and "...and the gross payroll does not equal or exceed a total of \$675,000 or \$225,000..."?

Stephanie Le Grange

From: Rhonda Reap-Curiel <rrcuriel@cencorconsulting.com>
Sent: Wednesday, March 2, 2022 4:55 PM
To: Stephanie Le Grange
Subject: LIDEA Comments Quality Jobs Proposed Rules
Attachments: 20220302163107716.pdf

EXTERNAL EMAIL: Please do not click on links or attachments unless you know the content is safe.

Stephanie -

Attached is a copy of the letter outlining LIDEA's comments on the most recent version of the proposed rules for Quality Jobs. I plan to attend the hearing tomorrow and formally present these items and deliver the original document.

Please acknowledge receipt of this email.

Rhonda Reap-Curiel, CECD CRB PSA RENE
CENCOR Consulting Group, LLC
P O Box 12096
Alexandria LA 71315
318-308-9921 phone
318-445-9419 fax
rrcuriel@cencorconsulting.com



2022
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March 2, 2022

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Ex-Officio
Member

Stephanie LeGrange
Department of Economic Development
617 North 3rd Street
11th Floor
Baton Rouge LA 71802

RE: Proposed Rule Changes Quality Jobs

Ms. LeGrange,

On behalf of the members of Louisiana Industrial Development Executives Association (LIDEA), I would like to submit the following comments on the proposed rule changes for the Quality Jobs Program. While we are mostly comfortable with the changes proposed as a result of recently adopted legislation, upon review of other proposed changes, we have some concerns. They are noted below.

1103. Definitions

Employment Baseline

It appears the Department is seeking to expand the lookback period for baseline employment. We can find no legislative mandate to make this change at this time and request the proposed language be reconsidered. This section of the rules was heavily debated when this definition was inserted into the rules in 2009. After much debate, the Department, Stakeholders, and the Board agreed to the four-month period which you are now seeking to change.

In our most recent discussions, and as a means to meet the Department halfway, we had agreed to the Department's proposed six-month lookback period. We are requesting a change in the language to reflect this agreement.

1107. Application Fees, Timely Filing

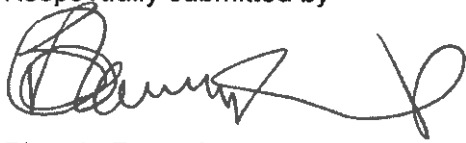
F.

The proposed deferral provision does not take into consideration applicants who are in consistent contact with the Department and working in good faith to successfully bring its application before the Board for whom six (6) months is an insufficient amount of time to resolve outstanding application issues. Therefore, we recommend increasing the maximum duration of time to defer going before the Board to one (1) year as opposed to six (6) months.

Additionally, the proposed deferral language does not take into consideration States of Emergency declared by Mayors, Governors, or others due to a state or national health crisis or natural disaster. These scenarios can result in the cancellation of Board meetings and a delay in applications being brought forth for consideration. Companies could potentially be penalized and lose eligibility for the program for reasons other than something under their control.

Thank you for the opportunity to submit these comments and for your consideration. Please feel free to contact me for additional information or explanation of our submission.

Respectfully submitted by

A handwritten signature in black ink, appearing to read 'Rhonda Reap-Curiel', with a large, stylized flourish at the end.

Rhonda Reap-Curiel
2022 LIDEA Legislative Chair
