

NOTICE OF INTENT

Department of Economic Development
Economic Development Corporation

Award Program—Infrastructure Financing
(LAC 19:VII.Chapter 91)

In accordance with R.S. 51:2312.1, notice is hereby given that the Department of Economic Development, Board of the Louisiana Economic Development Corporation, proposes to implement rules and regulations for the Economic Development Award Program.

The text of this proposed rule may be viewed in its entirety in the Emergency Rule Section of this issue of the *Louisiana Register*.

This proposed rule is scheduled to become effective January 20, 1997, or as soon thereafter, as is practical upon publication in the *Louisiana Register*. Interested persons may comment on the proposed rules in writing until October 30, 1996, to Brett Crawford, Executive Director, Economic Development Corporation, Box 94185, Baton Rouge, LA 70804 or 101 France Street, Suite 312, Baton Rouge, LA 70802.

Brett Crawford
Executive

Director

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Award Program**

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

The implementation costs are projected to be \$5,020,200 in FY 96/97, \$5,021,000 in FY 97/98 and \$5,021,900 in FY 98/99. Of those costs, 99.6 percent will be funded through state general fund appropriations to LEDC, with the remaining costs borne by LEDC's dedicated fund operating budget and by DED under its general fund operating appropriation. The project monitoring costs to local governments are projected to be \$100,000 per year. Recurring operation and maintenance costs associated with publicly-owned infrastructure investments will be borne by the government units owning the projects. Project approval will be contingent upon evidence that monitoring costs and recurring public operation and maintenance costs will be more than offset by additional public revenues generated by the project.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

State revenue collections are anticipated to increase, at a minimum, by \$3,000,000 for projects approved in each of the three years forecast (stated in terms of the present value of revenue collections in future years). Local government revenue collections are anticipated to increase, at a minimum, by \$2,000,000 for projects approved in each of three years (also stated in terms of the present value of revenue collections in future years).
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Approximately 8-12 Louisiana businesses annually will benefit directly from improved and/or expanded infrastructure, access to low-cost infrastructure investment funds, enhanced and/or expanded production capacity, and increased sales and profitability, at a cost of some additional planning and paperwork requirements associated with the application process, quarterly performance reports, and invoices for reimbursement, as well as operation and maintenance costs associated with privately owned infrastructure investments. Louisiana employees will benefit from reduced unemployment and risk of unemployment. Public sponsoring entities will incur additional planning and paperwork costs associated with their role, as well as operation and maintenance costs

associated with publicly owned infrastructure investments.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The program has as one of its basic intents the goal of reducing unemployment and the risk of future unemployment by assisting businesses to enhance/increase their production capacity in the state and providing an incentive to companies to invest in the creation and retention of high value-added jobs. The competitiveness of Louisiana businesses should be enhanced as companies benefit from the efficiency gains achieved by the infrastructure investments, and as the internal and external markets for Louisiana products and services grow in response to the capital supply shock associated with the investments. In addition, no preferential treatment will be given to out-of-state companies seeking to locate in Louisiana, relative to the assistance available to in-state companies.

Brett Crawford

John R. Rombach

Executive Director

Fiscal Officer

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