

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 573** HLS 08RS 1081

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 19, 2008 6:27 PM	Author: PETERSON
Dept./Agy.: Economic Development	Analyst: Charley Rome
Subject: Creates the Louisiana Exports and Foreign Investments Act	

ECONOMIC DEVELOPMENT OR +\$1,147,600 GF EX See Note
Creates the Louisiana Exports and Foreign Investments Act

Proposed law allows the Department of Economic Development (DED) to provide cost sharing or matching grant moneys to assist and promote economic clusters representing businesses that are new to exporting or organizations representing such businesses. The bill states that such fund shall be available for the following purposes: (a) Recruiting/organizing of businesses for collaborating on ways to export their products and services. (b) Researching and identifying the foreign markets. (c) Designating agents to access the services of federal, state, local, private, and non private export service providers. (d) Identifying and contracting with foreign representatives in the identified markets to promote and sell the products and services. The bill requires that participating business provide DED with information on goals, methodology, budget, and program results and requires the department to develop a marketing plan to promote and sponsor international events held in the Louisiana. The bill also requires DED to plan and implement annual foreign recruitment missions and requires the department to establish a recruitment and trade office overseas. Effective upon governor's signature.

EXPENDITURES	2008-09	2009-10	2010-11	2011-12	2012-13	5 -YEAR TOTAL
State Gen. Fd.	\$1,147,600	\$1,147,600	\$1,147,600	\$1,147,600	\$1,147,600	\$5,738,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$1,147,600	\$1,147,600	\$1,147,600	\$1,147,600	\$1,147,600	\$5,738,000

REVENUES	2008-09	2009-10	2010-11	2011-12	2012-13	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The Department of Economic Development (DED) has indicated that if authorized to undertake this program, it would be their intention to expend \$1,147,600 annually. DED's estimated costs are based on the following: \$217,600 for three additional staff (grant administrator, program manager, and attorney); \$150,000 for six annual industry specific recruitment missions; \$430,000 for program grants, \$150,000 to expand the department's Business Development Representative program, and \$200,000 per year to establish and operate a recruitment and trade office overseas.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$500,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$500,000 Annual Fiscal Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Robert E. Hosse
LFO Staff Director