

DECLARATION OF EMERGENCY

Louisiana Economic Development Office of Economic Development

Site Investment and Infrastructure Improvement Fund (LAC 13:I.Chapter 55)

This Emergency Rule is being published pursuant to emergency provisions of the Administrative Procedure Act, R.S. 49:962 (A)(1)(a) and R.S. 51:2316, which provide for emergency procedures to establish rules, and R.S. 51:921 and R.S. 36:104, which allows Louisiana Economic Development (LED) to promulgate rules and regulations to protect the welfare and prosperity of the citizens of the state.

Louisiana Economic Development has an immediate need for rules to implement the program in alignment with Act 365 of the 2025 Regular Legislative Session. Whereas Act 365 outlines a basic framework, additional guidance on some components of the program, such as guidelines for interested parties to assess their program eligibility, is needed. A delay in imposition would hinder effective administration of this program and delay access to the program by qualified applicants, resulting in an adverse financial impact on the Louisiana economy.

This Emergency Rule shall be effective October 30, 2025, and shall remain in effect for a period of 180 days unless renewed or revoked, or until adoption of the final Rule, whichever occurs first.

Title 13

ECONOMIC DEVELOPMENT

Part I. Financial Incentive Programs

Chapter 55. Site Investment and Infrastructure Improvement Fund

§5501. Purpose

A. The purpose of this Chapter is to implement the Site Investment and Infrastructure Improvement Fund, hereafter referred to as the “fund”, as established by R.S. 51: 2316.

B. This Chapter shall be administered solely for site investment and infrastructure improvements for economic development purposes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§5503. Definitions.

A. Terms not otherwise defined in this Chapter shall have the same meaning given to them in R.S. 51:2316, unless the context clearly requires otherwise.

B. In this Chapter, the following terms shall have the meanings provided herein, unless the context clearly indicates otherwise.

Begin Construction—construction of an infrastructure project shall begin when:

- a. in the case of a new building, either:
 - i. materials to be used in the project, worth more than 5 percent of the construction budget, are placed at the project site; or
 - ii. other work is performed on the site which is visible from a simple inspection and reasonably indicates that the work has begun, such as substantial land fill, soil reinforcement or pouring of a foundation.

b. in the case of a retrofit project to an existing structure:

i. materials to be used in the project, worth more than 10 percent of the construction budget, are placed at the project site; or

ii. equipment to be used in the project, worth more than 20 percent of the construction budget, is placed and operational at the project site.

c. or as otherwise approved by the secretary

Department—Louisiana Economic Development. Abbreviated and also known as “LED”

Distressed Community—an area that is economically distressed or underdeveloped, which is defined as:

a. lowest 25 percent of parishes by average annual wage according to the Bureau of Labor Statistics (BLS), or

b. areas considered *Deeply Distressed* within the New Market Tax Credit program administered by the U.S. Department of the Treasury’s (Treasury) Community Development Financial Institutions Fund (CDFI) in accordance with Internal Revenue Code 26 U.S.C. 45D, and applicable Treasury regulations 26 CFR 1.45D-1, as may be amended, or

c. as approved by the Secretary.

Other Property—property that is not publicly owned, to the extent allowable under Article VII, Section 14 of the Louisiana Constitution or other applicable state law, as approved by LED, and subject to the provisions of 5507A(2)(b).

Public-Private Partnerships—any agreement or combination of agreements, pursuant to which at least one public entity and one private entity are parties, obligating a private entity to make an investment in site or infrastructure improvements in Louisiana, as approved by LED.

Public Site—a site which a public entity owns.

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

Secretary—secretary of Louisiana Economic Development.

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

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§5505. General Principles

A. The following general principles will direct the administration of the program.

1. Awards are not be considered as an entitlement, and the secretary has the final authority to determine whether or not each particular applicant is eligible and meets the criteria of the award, and in all such circumstances, the exercise of that discretion shall be deemed to be a final determination of the applicant’s award status.

2. Award amounts, per project, may vary at the discretion of LED, with a minimum award of one million dollars.

3. Applicants shall identify a funding match.
4. LED may negotiate with each applicant seeking an award based on the individual merits of each projects.
5. Award agreements shall contain “clawback” provisions to protect the state in case of default.
6. Award funds shall be used for the approved project only.
7. Awards may be administered by LED directly, or LED may use funds to contract with a third party administrator to undertake such activities.
8. Applications shall be accepted subject to availability of funding in any given year, or as otherwise determined by LED.

9. As a general rule, applicants may apply for more than one statutory benefit program administered by LED, provided that:

- a. separate applications are submitted per program; and
- b. program applicants do not receive a double benefit on the same expenditure.

B. Program funding.

1. Funding for this program is provided by any money transferred, donated, or appropriated to the Site Investment and Infrastructure Improvement Fund (“Fund”), with an initial fund deposit of one hundred and fifty million dollars in fiscal year 2026.

2. LED may not authorize issuance of payments exceeding the available monies in the Fund.

3. The issuance of payments shall be subject to funding availability in any given fiscal year.

4. Monies in the fund shall be utilized in accordance with the department's strategic plan and program priorities. The department shall consider the following factors in the allocation of monies:

- a. demonstrated market demand in priority sectors.
- b. performance measures.
- c. return on investment.
- d. impact on distressed communities.
- e. public benefit and economic impact.
- f. site potential.

5. Notwithstanding any provision of law to the contrary, the department shall prioritize allocation of monies to purposes that meet any of the following criteria:

- a. leverage public-private partnerships, private equity, or other resources.
- b. address specific and critical needs for high-potential projects.
- c. are a Louisiana Economic Development certified site.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§5507. General Program Description

A. Funding may be available for site investment and infrastructure improvement projects with demonstrated economic development purposes as follows:

1. Applicants

a. Applications may be submitted by local or regional economic development organizations, municipalities, non-profit organizations, redevelopment authorities or political subdivisions and such organizations shall be considered qualified applicants.

b. Public-private partnerships or other quasi-private entities may be considered qualified applicants at the discretion of the secretary.

2. Project Location

a. Projects may be located on either public or privately owned lands, however, projects located on privately owned lands may be subject to additional restrictions or requirements such as higher match percentages or higher loan commitment fees, and

b. Reimbursement of funds expended on private or other property is contingent upon written evidence being provided to LED that such development costs are allowable under Article VII, Section 14 of the Constitution and any other applicable state law. Such evidence may include but not be limited to a final judicial determination from a court of competent jurisdiction.

3. Project Timeline

a. As a general rule, funds shall be obligated and projects shall begin construction within nine months of the fully executed contract. However, LED will evaluate the readiness of each project and memorialize all applicable construction deadlines and project milestones in a contract between all appropriate parties.

4. Construction Components

a. Eligible project costs may include but not be limited to the following expenses:

- i. rail or road access;
- ii. utility extensions;
- iii. wetland mitigation;
- iv. demolition;
- v. expansion;
- vi. remediation;
- vii. land purchases.

b. Unless otherwise approved by the secretary, ineligible project costs may include but not be limited to:

- i. consulting fees;
- ii. legal or financial service fees;
- iii. marketing of site;
- iv. moveable equipment;
- v. routine site maintenance;
- vi. any expenses occurring outside of the approved construction period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§5509. Application Procedure

A. LED will provide a standard application form which applicants may be required to use to apply for assistance under this program. Applications may be filed through LED's online portal, or as otherwise directed by LED.

B. The application shall include, but not be limited to, the following information:

1. applicant name;
2. contact person and their title;
3. applicant physical address;
4. applicant phone number and email address;
5. description of the proposed project, including the following:
 - a. site location;
 - b. target industry;
 - c. funding match identification;
 - d. prior due diligence reports;

- e. site readiness;
 - f. breakdown of proposed site improvements, with proposed construction timeline, engineering report, bids/cost estimates, as may be applicable;
 - g. impact on distressed communities;
 - h. an outline of possible public-private partnership entities and opportunities;
- 6. Secretary of State registration, as applicable;
 - 7. any additional information requested by LED; and
 - 8. letters of support from the applicable regional economic development organization and state legislators (from both House Representative and Senator).

C. A non-refundable application fee is due in accordance with R.S. 36:104, to be payable as follows: an initial payment of \$250 due upon application submission, with a supplemental fee up to the maximum application fee authorized by law, based upon the total amount of incentives or program award to be recognized, as directed by LED.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§5511. Selection Criteria

A. LED will consider various discretionary factors when determining which applications will be funded. Among the factors which may be taken into consideration include, but are not limited to:

- 1. demonstrated market demand in priority sectors;
- 2. performance measures;
- 3. return on investment;
- 4. impact on distressed communities;
- 5. public benefit and economic impact;
- 6. site potential;
- 7. availability of funding; and
- 8. best interests of the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§5513. LED Action—Approval or Denial Provisions

A. In the event LED determines that an applicant is eligible, funding is available, and an award would be appropriate, LED will negotiate all appropriate provisions with interested parties, and issue applicable contracts, specifying the funding amount and the terms and conditions of the award.

1. Partially forgivable loans may be awarded the discretion of LED. Forgiveness conditions include but are not limited to: Site located in a distressed community, locating entity creates ten jobs that pay at or above 150 percent of the parish average wage, and locating entity has invested an additional one billion dollars.

B. In the event an application is denied, LED shall issue a written denial.

C. LED reserves the right to enter into public-private partnerships if determined to be in the best interest of the State.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§5515. Return of Benefits

A. If an applicant receives an award from the fund and it is subsequently determined that the applicant did not qualify for the benefit then:

1. Future payments to the applicant shall be reduced by the amount wrongfully received by the applicant; or,

2. If there are no future payments due the applicant from which to deduct the amount owed, LED may recover any monies wrongfully obtained.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

§5517. Annual Reporting

A. LED shall include a detailed listing of all project awards in its annual report to the legislature, in accordance with R.S. 36:104.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104 and R.S. 51:2316.

HISTORICAL NOTE: Promulgated by Louisiana Economic Development, Office of Economic Development, LR 52:

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