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(SUBMIT A SEPARATE INSERTION ORDER PER DOCUMENT)

EMERGENCY RULE

NOTICE OF INTENT

RULE

POTPOURRI

Adoption Date of EMR: _____

Effective Date of EMR: _____

REFER TO INSTRUCTIONS ON REVERSE SIDE

This is your authority to publish the document indicated above in the *Louisiana Register* for (month, year): February 2026

Office/Board/Commission promulgating this document: Office of Economic Development and Louisiana Economic Development Corp

Department under which office/board/commission is classified: Louisiana Economic Development

Person whose signature will appear in the publication (at the end of the document): Name: Anne G. Villa

Job Title: Deputy Secretary/CFO

Person to contact regarding this document: Name: Leticia Johnson Phone number: 225) 342-6499

Email: Leticia.Johnson@la.gov Fax number: N/A

Short descriptive listing for this document to be used in the *Louisiana Register's* TABLE OF CONTENTS/INDEX:

Louisiana Seed Capital Program

File name: _____

Important: If submitting both an Emergency Rule (ER) and a Notice of Intent (NOI) to be published this month, **AND** if the rule text in the ER is identical to the rule text in the NOI, check here:

Signature of Agency Head or Designee: Anne G. Villa

Digitally signed by Anne G. Villa
Date: 2026.02.10 09:29:57 -06'00'

Print Name and Title of Agency Head or Designee: Anne G. Villa, Deputy Secretary/CFO

CERTIFICATION OF AVAILABLE FUNDS

DOCUMENT # _____

LAGOV AGENCY: I certify the availability of appropriated funds for fiscal year 26 for the payment of the above referenced publication and authorize the processing of an Interagency Billing with the following coding on the 30th of the month of the publication. Attach supplemental sheet for additional lines of coding.

Business Area: 252 General Ledger: _____ Cost Center: 250101100 Grant: _____

Fund: 2500000000 WBS: _____ Internal Order: _____ Functional Area: _____

NON-LAGOV AGENCY: I certify the availability of appropriated funds for fiscal year 26 for the payment of the above referenced publication and agree to place corresponding invoice in line for payment upon receipt.

Signature of Agency Head or Designee: Kathy Blankenship
Kathy.Blankenship (Feb 10, 2026 11:54:06 CST)

Billing Contact Information:

Agency Name: Louisiana Economic Development

Agency Contact Person for Billing: Taylor Richard

Agency E-Mail Address for Billing: Taylor.Richard@la.gov

NOTE: Detailed billing information will be provided via a publishing invoice sent to the Billing Contact Information provided.

NOTICE OF INTENT

Louisiana Economic Development and Louisiana Economic Development Corporation

(LAC19:VII Chapter 89)

Louisiana Economic Development, Office of Economic Development, and Louisiana Economic Development Corporation authorized by and pursuant to the provision of the Administrative Procedure Act, R.S. 49:950 et seq., LA R.S. 36:104, 36:108, and 51:2312 hereby gives notice of their intent to amend certain rules for the administration of the Louisiana Seed Capital Program (LSCP).

In accordance with the Office of Governor Executive Order No. JML 25-038, LED reviewed and evaluated the LSCP Program Rules and proposes amendment to better align regulations with the U.S. Treasury guidelines and the agency's mission.

Title 19 CORPORATION AND BUSINESS Part VII. Louisiana Economic Development Corporation Subpart 11. Louisiana Seed Capital Program (LSCP) Chapter 89. SSBCI Seed Capital ARPA 2021

§8903. Definitions

A. – B...

Co-investment or coinvesting—a multiple SSBCI supported venture capital investment from different venture capital funds and other equity/venture capital invest in the same round. The SSBCI capital may not count as private capital.

Contract Monitor—LEDC designee, authorized to act as a representative and a liaison between LEDC and the General Partner to perform various duties of this contract and monitor its terms, as agreed upon.

Corporation—Louisiana Economic Development Corporation (LEDC).

Direct investment—an investment in which financial investors take part with each other and act jointly by uniting or combining together to invest directly into individual companies or businesses.

Early-stage qualifying investment or Early-stage equity investment or Early-stage investing—funding intended for companies in the development phase, including convertible debt funding. This stage of financing varies from small funds for companies cultivating ideas or concepts to larger sums for companies looking to grow their products and services.

LED—Louisiana Economic Development, formerly Louisiana Department of Economic Development.

Risk Investment—an investment that may provide equity through the purchase of common stock, preferred stocks, partnership rights or any other equity investment. Additionally it may mean debt positions, which may act as equity or have equity features such as subordinated debt, debentures or other such instruments used in conjunction with features intended to yield significant capital appreciation.

Valuation of Investment Fund—the value of any monies invested or otherwise used as risk capital in businesses plus the unexpended monies available for investment or used as risk capital.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1480 (June 2022), LR 48:1921 (July 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8905. Eligibility for Seed Capital Fund to Participate in This Program

A. – F.2. ...

3. such individual business investments shall not be extended to businesses with more than 750 employees; and

4. any investment transaction or investment round extended through this program shall not exceed the amount of \$ 20,000,000.

G. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1487 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8907. Application Requirements for Investment

A. – A.3. ...

B. After its receipt and review by the LEDC staff, the completed application for the prospective fund participant will then be submitted to the next scheduled LEDC board meeting for its consideration of final approval.

C. – E. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1488 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8909. Application Process

A. – A.1. ...

2. All applications received by LEDC will be reviewed by the LEDC staff; and the staff may request additional information beyond that which has been provided. After their receipt and review by the LEDC staff, the completed applications for prospective fund participants shall then be submitted to the next scheduled LEDC board meeting for its consideration of final approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1489 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8911. Investments

A. A qualified or eligible fund may receive an investment equal to \$1 of LEDC funds for each \$1 of funds privately raised by the applicant fund.

B. – F. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1489 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8913. Reporting

A. A. Upon closing of each investment, each venture capital fund that is the recipient of LEDC funds shall provide to LEDC the following information, including any other information required in accordance with U.S. Treasury program guidance:

1. – C. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1490 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

Family Impact Statement

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

Provider Impact Statement

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

Small Business Analysis

The proposed repeal of the Rule is not anticipate to have a significant adverse impact on small businesses as described in R.S. 49:974.5.

Public Comments

Interested persons should submit written comments on the proposed Rules to Kelly Raney, Louisiana Economic Development, 100 North Street, 7th Floor, Baton Rouge, LA 70802 or via email to Kelly.Raney@LA.GOV. All comments must be received no later than close of business day, March 31, 2026.

Public Hearing

A meeting for the purpose of receiving the presentation of oral comments on the Notice of Intent will be held at 1:30 p.m. on April 2, 2026, in the LaBelle Conference Room at the LaSalle Building, 617 North 3rd Street, Baton Rouge, LA 70802. Individuals with disabilities who require special services should contact Dawn Thibodeaux at least two (2) working days in advance of the hearing. For assistance, call 225.342.3740 (voice and TDD) or email dawn.thibodeaux@la.gov.

Anne G. Villa
Deputy Secretary/CFO,
Louisiana Economic Development

Chapter 89. SSBCI Seed Capital ARPA 2021

§8901. Purpose

A. The purpose of this program is to utilize federal SSBCI funds to strengthen state programs that support private financing to small businesses as a response to the economic effects of the COVID-19 pandemic, in accordance with prevailing federal guidelines issued by the U.S. Treasury.

B. The Louisiana Economic Development Corporation (LEDC) will utilize SSBCI funds from ARPA 2021 to make seed stage investments to create and grow start-up and early stage businesses or for expansion of small businesses statewide, and to reach, identify and promote small business growth in low and moderate income communities, in minority communities, in other underserved communities, and to women- and minority-owned businesses.

C. This LEDC program and the SSBCI funding will be marketed through outreach activities to inform venture capital funds, local foundations, small businesses, trade associations, incubator associations, and economic development organizations of the program, and to generate increased small business activity, awareness of and access to additional sources of capital to start and expand existing business opportunities, as well as participation in the program. The marketing will also be used to find investment and seed investment opportunities located in the underserved markets that will be targeted with SSBCI funds.

D. The LEDC will also monitor these plans, including the progress of individual businesses receiving investments and the performance of participating venture capital organizations, to ensure successful outcomes in the form of program utilization and eventual securing of funds for these groups.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1486 (June 2022).

§8903. Definitions

A. Terms not otherwise defined in this Chapter shall have the same meaning given to them in prevailing federal guidelines issued by the U.S. Treasury, 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.

Board—Board of Directors of Louisiana Economic Development Corporation.

Business Partner of an SSBCI Insider—a person who owns 10 percent or more of any class of equity interest, on a fully diluted basis, in any private entity in which an SSBCI insider also owns 10 percent or more of any class of equity interest on a fully diluted basis.

~~*Direct Investment*—an investment in which financial investors take part with each other and act jointly by uniting or combining together to invest directly into individual companies or businesses~~

~~*Co-investment or coinvesting*—a multiple SSBCI supported venture capital investment from different venture capital funds and other equity/venture capital invest in the same round. The SSBCI capital may not count as private capital.~~

Community Development Financial Institution (CDFI)—has the meaning given that term under Section 103 of the Riegle Community Development and Regulatory Improvement Act of 1994.

Community Development Financial Institution (CDFI) Investment Area—areas defined by CDFI which are generally low-income, high poverty geographies that receive neither sufficient access to capital nor support for the needs of small businesses, including minority-owned businesses.

~~*Contract Monitor*—LEDC designee, authorized to act as a representative and a liaison between LEDC and the General Partner to perform various duties of this contract and monitor its terms, as agreed upon.~~

Corporation—Louisiana Economic Development Corporation (LEDC).

~~*Direct investment*—an investment in which financial investors take part with each other and act jointly by uniting or combining together to invest directly into individual companies or businesses.~~

~~*Early-stage qualifying investment or Early-stage equity investment or Early—stage investing*—funding intended for companies in the development phase, including convertible debt funding. This stage of financing varies from small funds for companies cultivating ideas or concepts to larger sums for companies looking to grow their products and services.~~

Family Member of an SSBCI Insider—such person’s spouse, domestic partner, parents, grandparents, children, grandchildren, brothers, sisters, stepbrothers, and stepsisters; and any other relatives who live in the same household as the SSBCI insider.

Independent Non-Profit Entity—any non-profit entity that is not state-sponsored.

~~*LED*—Louisiana Economic Development, formerly Department of Economic Development~~

Owned and Controlled—if privately owned, 51 percent is owned by such individuals; if publicly owned, 51 percent of the stock is owned by such individuals; and in the case of a mutual

institution, a majority of the board of directors, account holders, and the community which the institution services is predominantly comprised of such individuals.

Personal Financial Interest—any financial interest derived from ownership or right to ownership of, or lending to or other investment in, a private, for-profit entity that may receive an SSBCI investment (including any financial interest derived from ownership or right to ownership of, or investment in, a venture capital fund).

Risk Investment—an investment that may provide equity through the purchase of common stock, preferred stocks, partnership rights or any other equity investment. Additionally it may mean debt positions, which may act as equity or have equity features such as subordinated debt, debentures or other such instruments used in conjunction with features intended to yield significant capital appreciation.

Seed Capital—

a. a dollar amount of not less than \$25,000 of capital provided to an inventor or entrepreneur to prove a concept and to qualify for start-up capital, which may involve product development and market research, as well as building a management team and developing a business plan, if the initial steps are successful;

b. research and development financing to finance product development for start-up as well as early-stage companies (which may include a company that may already be in business for three years or less);

c. start-up or early-stage financing to companies completing product development and initial marketing which companies may be in the process of organizing or they may already be in business for three years or less, but have sold their product commercially; or

d. first-stage or early-stage financing to companies that have expended their initial capital and require funds to initiate full-scale manufacturing and sales, for costs of inventory, equipment, expansion, modernization, and for working capital purposes.

Socially and Economically Disadvantaged Individuals (SEDI)-Owned Business—

a. business enterprises that certify that they are owned and controlled by individuals who have had their access to credit on reasonable terms diminished as compared to others in comparable economic circumstances, due to their:

i. membership of a group that has been subjected to racial or ethnic prejudice or cultural bias within American society;

ii. gender;

iii. veteran status;

- iv. limited English proficiency;
 - v. physical handicap;
 - vi. long-term residence in an environment isolated from the mainstream of American society;
 - vii. membership of a federally or state-recognized Indian Tribe;
 - viii. long-term residence in a rural community;
 - ix. residence in a U.S. territory;
 - x. residence in a community undergoing economic transitions (including communities impacted by the shift towards a net-zero economy or deindustrialization); or
 - xi. membership of another underserved community as defined in U.S. Executive Order 13985;
- b. business enterprises that certify that they are owned and controlled by individuals whose residences are in CDFI Investment Areas, as defined in prevailing federal guidelines issued by the U.S. Treasury;
 - c. business enterprises that certify that they will operate a location in a CDFI Investment Area, as defined in prevailing federal guidelines issued by the U.S. Treasury; or
 - d. business enterprises that are located in CDFI Investment Areas, as defined in prevailing federal guidelines issued by the U.S. Treasury.

SSBCI Insider—a person who, in the 12- month period preceding the date on which SSBCI support for a specific investment in a venture capital fund or company is closed or completed:

- a. was:
 - i. a manager or staff member, whether by employment or contract, in the state’s SSBCI venture capital program;
 - ii. a government official with direct oversight or jurisdiction over an SSBCI venture capital program, or such an official’s immediate supervisor;
 - iii. a member of the board of directors or similar body for a state-sponsored non-profit entity who, through such membership, has authority to vote on decisions to invest SSBCI funds or has authority over the employment or compensation of staff managing processes related to the investment of SSBCI funds;

iv. a member of the board of directors or similar body for an independent non-profit or for-profit entity that operates an SSBCI venture capital program; or

v. an employee, volunteer, or contractor on an investment committee or similar body that recommends or approves SSBCI investments under the SSBCI venture capital program; or

b. exercised a controlling influence on state decisions regarding:

i. the allocation of SSBCI funds among approved state venture capital programs;

ii. eligibility criteria for the state's SSBCI venture capital programs; or

iii. the processes for approving investments of SSBCI funds under the state's SSBCI venture capital program.

State-Sponsored Non-Profit Entity—a non-profit entity created by state legislation to pursue policies of the state government and over which state officials exercise a controlling influence through budgetary decisions or other legislative action or direction.

Valuation of Investment Fund—the value of any monies invested or otherwise used as risk capital in businesses plus the unexpended monies available for investment or used as risk capital.

Venture Capital Fund—also referred to herein as a seed capital fund, or the applicant organization; a fund that makes and manages a portfolio of investments in individual companies or businesses.

Very Small Business (VSB)—a business which employs 10 or less employees, including independent contractors and sole proprietors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1486 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8905. Eligibility for Seed Capital Fund to Participate in This Program

A. LEDC will undertake a formal evaluation process and consider various factors when determining which applicants will be selected to participate in this program. Among the factors which may be taken into account in the evaluation process are the following.

B. The applicant organization may be organized either for profit or non-profit purposes.

C. The applicant organization must demonstrate that its management personnel have at least three years of experience in managing investments in individual, privately-held companies, utilizing funds provided by others to make such investments.

D. The applicant organization is encouraged to have a Louisiana-based production office.

E. The applicant organization must have raised a minimum of \$500,000 in investments or has a minimum of \$2 1/2 million under management, and have on hand cash sums sufficient to cover the general and administrative costs for the first and early years of its operations for participation in the SSBCI Venture Capital Program.

F. In addition, LEDC investments made in venture capital funds shall meet the following criteria:

1. the venture capital fund(s) shall target an average business-size of 500 employees or less at the time the individual business investment is made;

2. It is strongly encouraged for each venture capital fund(s) to make every effort to target and invest in SEDI owned businesses and VSB;

3. such individual business investments shall not be extended to businesses with more than 750 employees; **and**

~~4. any investment targeted in this program shall not exceed the amount of \$ 5,000,000; and~~

~~54.~~ any investment transaction or investment round extended through this program shall not exceed the amount of \$ 20,000,000.

G. The board has the sole discretion to determine whether or not each particular applicant is eligible and meet the criteria for program participation, and in all such circumstances, the exercise of that discretion shall be deemed to be a final determination.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1487 (June 2022), **amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:**

§8907. Application Requirements for Investment

A. Prior to a seed capital fund submitting a request to the Louisiana Economic Development Corporation (LEDC) for consideration for an investment, a prospective seed capital fund shall first submit an application for the applicant fund to be considered qualified or eligible to participate in this program. The application for the fund's qualification or eligibility to the LEDC shall consist of detailed information covering three main categories, including:

1. the experience and qualifications of the Fund's existing or proposed management team;

2. if applicable, the fund's fund raising abilities, activities and success; and

3. the business plan for the seed capital fund. The applicant can use its own format, as long as the basic information is provided. Moreover, the applicant should provide additional information which is viewed as relevant. The LEDC or its staff may request additional information beyond that which is specified below and what is provided by the applicant.

B. After its receipt and review by the LEDC staff, the completed application for **an investment the prospective fund participant** will then be submitted to the next scheduled LEDC board meeting for its consideration of final approval.

C. Experience and Qualifications. In or with its application, the applicant shall:

1. submit resumes, references, and private placement memoranda for all principal members of the management team that are identified. Louisiana Economic Development Corporation reserves the right to perform criminal background checks on any or all of the members of the management team;

2. describe the responsibilities of each of the principal members of the management team that have been identified. If any are not full-time management team members, describe their other activities;

3. describe the responsibilities of any principal management position for which a person has not been identified;

4. specify any directors that have been identified, and submit their resumes;

5. specify any other key people that have been identified, including any advisors, consultants, attorneys and accountants, and submit resumes and/or descriptions of firms. Louisiana Economic Development Corporation reserves the right to perform criminal background checks on any or all of these key people.

D. Fund Raising. In or with its application, the applicant shall:

1. specify the amount of LEDC commitment sought;

2. provide evidence of the amount of private capital that has been raised, and specify the ratio of actual cash to commitments raised;

3. describe the basic legal structure of the seed capital fund;

4. if applicable, describe and discuss the applicant's fund raising strategy for the raising of any additional private capital;

5. if applicable, specify the principal investor sources that the applicant fund will be targeting;

6. if applicable, provide the applicant's basic proposal to its prospective private investors, and the expectations and objectives the applicant is specifying. This shall include, for example, representations regarding reasonably expected returns on private equity investment, indirect financial benefits, if any, and social purposes, if applicable;

7. list all specific investors and financing commitments already obtained, including documentation for each. This shall include evidence of the initial \$500,000 minimum capital required for the applicant fund's eligibility to participate in this program;

8. specify whether applicant anticipates receiving all of the LEDC equity investment at closing, or whether applicant plans a phase in. If a phase-in is planned, specify the proposed schedule. It is permissible to have different scenarios based on the actual amount of equity capital raised.

E. Business Plan. In its application, and with regard to the subjects mentioned below, the applicant shall:

1. targeted market:

a. describe and discuss the types of businesses that the seed capital fund will finance. Discuss the extent to which the seed capital fund intends to specialize in certain industries, or whether a more broad based approach is planned;

b. describe the size range of businesses that it is contemplated the seed capital fund will finance, with a general indication of where most of the focus is expected;

c. discuss the life cycle stage or stages of the companies which the seed capital fund will likely finance, with an indication of where most of the focus is contemplated;

d. discuss the geographic area in which the seed capital fund plans to focus. Specify the city or parish in which the seed capital fund's principal office is planned to be located, and discuss intentions, if any, to establish any additional offices;

e. provide any market analysis that the applicant deems relevant;

2. financing. Describe and discuss the financing instruments intended to be used by the seed capital fund. Discuss the anticipated mix of the various types of financing instruments. Discuss the anticipated size range of investments to be made, and information regarding pricing, term, and other conditions. Discuss risk/return expectations on projects. Discuss methods of exit from investments;

3. marketing strategy. Describe the seed capital fund's plans and approach to marketing its services, including the identification of potential applicants for financing assistance;

4. screening process and evaluation criteria. Discuss the anticipated number of business firms that will be reviewed for possible investment, in comparison with the number that will actually be

invested in. Discuss the approach to screening business firms, and the evaluation criteria for deciding whether, and under what terms and conditions, to provide investment;

5. fee income. Discuss the potential for fee income, and any plans that the seed capital fund might have for generating fee income;

6. management assistance. Discuss the plans of the seed capital fund to provide management and/or technical assistance to companies for which the seed capital fund provides investment. Discuss the seed capital fund's plans for monitoring its investments, and enforcing provisions of investment agreements. Discuss how the seed capital fund plans to handle problem investments. Discuss the seed capital fund's plans to provide management assistance to companies that the seed capital fund is not investing in;

7. complementary relationships. Discuss the nature of complementary relationships that are anticipated with banks, commercial lenders, investment bankers, venture capitalist and other institutions. This discussion can be based on general types of institutions and/or can identify specific institutions where complementary relationships have already been discussed;

8. management structure. Describe the proposed or existing management structure for the seed capital fund, and anticipated compensation for principal members of the management team;

9. idle funds. Describe plans for the management of the idle funds of the seed capital fund;

10. tax and accounting issues. Discuss relevant tax and accounting issues for the seed capital fund;

11. financial projections:

a. provide a detailed operating budget for the first or for the next three years of the seed capital fund's operation. The first year shall be month by month. The second and third years may be presented on an annual basis;

b. provide performance projections, year by year, for a five year period. These projections should show cash flow, income and expense (including taxes), and balance sheet data. For these performance projections, operating expenses can be consolidated into one line item;

c. specify the assumptions used for the performance projections. It is permissible to submit several sets of performance projections based on differing assumptions. However, if applicant submits several sets of projections based on differing assumptions, specify which set of assumptions are applicant's primary assumptions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1488 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8909. Application Process

A. All applications under this program must be submitted to the Louisiana Economic Development Corporation, as directed by staff.

1. Application Requirements for Qualification or Eligibility to Participate in this Program and Investment Application.

a. The application for qualification or eligibility of the seed capital fund to participate in this program and its application for the investment project may be, but are not required to be, submitted simultaneously for consideration.

b. Once a seed capital fund is deemed qualified or eligible to participate in this program, the fund is not required to resubmit a qualification or an eligibility application for subsequent investment requests.

2. All applications received by LEDC will be reviewed by the LEDC staff; and the staff may request additional information beyond that which has been provided. After their receipt and review by the LEDC staff, the completed applications **for prospective fund** participants shall then be submitted to the next scheduled LEDC board meeting for its consideration of final approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1489 (June 2022), **amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:**

§8911. Investments

A. A qualified or eligible fund may receive an investment equal to \$1 of LEDC funds for each \$1 of funds privately raised by the applicant fund. ~~The maximum total dollar amount of an LEDC investment in an eligible fund shall not exceed \$5,000,000. Subject to availability of SSBCI funding and associated allocation to this program.~~

B. The method of LEDC's investment into the qualified or eligible fund or investment will be equal to the method of investment of the other investors into that fund, i.e., committed capital for committed capital, cash investment for cash investment, or cash and commitment for cash and commitment.

C. A qualified or eligible fund may charge for services as allowed by the U.S. Treasury.

D. Investment funds may be used for out of state investments, after approval by LED.

E. Investment funds must make investment in accordance to U.S. Treasury guidelines.

F. Prior to the disbursement of funds, the secretary treasurer of LEDC and any one of the following: either the chairman of the board, the president, or the president's designee, shall execute all necessary legal instruments after certification that all appropriate legal requirements have been met.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1489 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8913. Reporting

A. Upon closing of each investment, each venture capital fund that is the recipient of LEDC funds shall provide to LEDC the following information, including any other information required in accordance with U.S. Treasury program guidance:

1. name of company, census tract, NAICS code, amount of investment, total amount of round of funding, and date of investment;
2. the number of jobs with corresponding salaries, new and retained;
3. narrative of business, use of funds, board presentation;
4. prior and post investment of private capital; and
5. assurances and certifications in accordance to U.S. Treasury guidelines.

B. Each year, on the anniversary date of the initial disbursement of funds, or on such date as may be authorized by LEDC, each venture capital fund that is the recipient of LEDC funds shall provide to LEDC the following information:

1. a list of all investors in the fund, including the amounts of each investment and the nature of each investment;
2. a statement of the financial condition of the fund including, but not limited to, a balance sheet, a profit and loss statement, and a statement showing changes in the fund's financial condition;
3. a current reconciliation of the fund's net worth; and
4. an annual audited financial statement prepared by a certified public accountant (prepared within 120 days of the end of the fund's fiscal year).

C. Investment funds must submit assurances and certifications in accordance to U.S. Treasury guidelines on each investment prior to closing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312
HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1490 (June 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52:

§8915. Conflict of Interest

A. No member of the corporation, employee thereof, or employee of the Department of Economic Development, or members of their immediate families shall either directly or indirectly be a party to or be in any manner interested in any contract or agreement with the corporation for any matter, cause, or thing whatsoever by reason whereof any liability or indebtedness shall in any way be created against such corporation. If any contract or agreement shall be made in violation of the provisions of this Section, the same shall be null and void, and no action shall be maintained thereon against the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:104, 36:108 and 51:2312
HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development and the Louisiana Economic Development Corporation, LR 48:1490 (June 2022).

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person
Preparing
Statement: Leticia Johnson Dept.: Louisiana Economic Development
and
Louisiana Economic Development Corporation

Phone: (225) 342-3000 Office: Office of Economic Development

Return
Address: 100 North Street, 7th Floor Rule
Title: Louisiana Seed Capital Program

Baton Rouge, LA 70802

Date Rule
Takes Effect: Upon promulgation

SUMMARY
(Use complete sentences)

In accordance with Section 961 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, amend or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

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

The proposed rule change is not anticipated to result in any direct material effect on governmental expenditures or savings to state or local governmental units. To the extent the removal of the \$5 M investment cap in the proposed rules results in additional funds disbursed to small businesses, this may increase utilization of existing federal budget authority within Louisiana Economic Development (LED), as additional federal State Small Business Credit Initiative (SSBCI) funds from ARPA 2021 may be deployed to support small businesses through the Louisiana Seed Capital Program. However, any administrative duties brought about by the proposed rule changes will be carried out utilizing existing staff and resources of LED.

The proposed rule change amends the Louisiana Seed Capital Program in an effort to increase the amount of investment capital deployed to small businesses. The proposed amendments align regulations with U.S. Treasury guidelines, the agency's mission, and further align with the Office of the Governor Executive Order No. 25-038.

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

The proposed amendments are not anticipated to materially affect revenue collections for state or local governmental units.

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

Venture capital organizations, start-ups, and early-stage businesses participating in the program may be affected by the proposed action. The proposed amendment to the rule removed and clarified regulations for participation in the investment program. Program participants are expected to benefit as the proposed rule changes are anticipated to increase the amount of investment capital deployed to small businesses as seed capital.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Start-ups and early-stage businesses benefiting from the program are anticipated to gain a competitive advantage over other businesses that do not receive investment from this program.



Signature of Head or Designee

Anne G. Villa, Deputy Secretary/CFO
Typed Name & Title of Agency Head or Designee

2/9/2026
Date of Signature



Legislative Fiscal Officer or Designee

2/9/26
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or amend) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or amend (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

The proposed rule change amends the Louisiana Seed Capital Program, which uses federal State Small Business Credit Initiative (SSBCI) funds to support private financing to small businesses as a response to the economic effects of the COVID-19 pandemic, in accordance with prevailing federal guidelines issued by the U.S. Treasury. Further, Louisiana Economic Development Corporation (LEDC) uses the SSBCI funds from ARPA 2021 to make seed stage investments to create and grow start-up and early stage businesses or for expansion of small businesses statewide, and to reach, identify and promote small business growth in low and moderate income communities, in minority communities, in other underserved communities, and to women- and minority-owned businesses.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

The purpose of this regulation is to implement the Administrative Rules and Regulations of the Office of the Governor Executive Order No. JML 25-038 and to align regulations with U.S. Treasury guidelines and the agency's mission.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

The proposed rule changes are not anticipated to result in an increase of expenditures for the state. To the extent the removal of the \$5 M investment cap in the proposed rules results in additional funds disbursed to small businesses, this may increase utilization of existing federal budget authority within Louisiana Economic Development (LED), as additional federal State Small Business Credit Initiative (SSBCI) funds from ARPA 2021 may be deployed to support small businesses through the Louisiana Seed Capital Program. However, LED's current appropriation of Federal Funds is anticipated to cover any increase in the funds disbursed brought about by the rule change.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase? **Not applicable**

(a) _____ YES. If yes, attach documentation.

(b) _____ NO. If no, provide justification as to why this rule change should be published at this time

- D. Compliance with Act 98 of the 2025 Regular Session

- (1) Will the proposed rule change result in either the expenditure of state funds or an economic impact involving costs to regulated entities estimated at \$200,000 or more per year or \$600,000 or more over three years?

(a) _____ YES. (proceed to question D.2 on this page)

(b) X NO.

- (2) If the answer to (1) above is yes, was there a fiscal note for the enacted legislation that required this action (attach documentation)? **Not applicable**

(a) _____ YES, and all cost impacts were contemplated in the Fiscal Note.

(b) _____ YES, but cost impacts exceed those contemplated in the Fiscal Note.

(c) _____ NO.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

COSTS	FY 26	FY 27	FY 28
PERSONAL SERVICES	\$0	\$0	\$0
OPERATING EXPENSES	\$0	\$0	\$0
PROFESSIONAL SERVICES	\$0	\$0	\$0
OTHER CHARGES	\$0	\$0	\$0
EQUIPMENT	\$0	\$0	\$0
MAJOR REPAIR & CONSTR.	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0
POSITIONS (#)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The proposed rule change is not anticipated to result in any direct material effect on governmental expenditures or savings for state or local governmental units. To the extent the removal of the \$5M investment cap in the proposed rules results in additional funds disbursed to small businesses, this may increase utilization of existing federal budget authority within Louisiana Economic Development (LED), as additional federal State Small Business Credit Initiative (SSBCI) funds from ARPA 2021 may be deployed to support small businesses through the Louisiana Seed Capital Program. However, any administrative duties brought about by the proposed rule changes will be carried out utilizing the existing staff and/or resources at LED.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 26	FY 27	FY 28
STATE GENERAL FUND	\$0	\$0	\$0
AGENCY SELF-GENERATED	\$0	\$0	\$0
DEDICATED	\$0	\$0	\$0
FEDERAL FUNDS	\$0	\$0	\$0
OTHER (Specify)	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Yes, the agency currently has sufficient funds to implement this action.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

There will be no costs or savings to local governmental units from the actions of the proposed rule change.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

No sources of funding of local government will be affected.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

REVENUE INCREASE/DECREASE	FY 26	FY 27	FY 28
STATE GENERAL FUND	\$0	\$0	\$0
AGENCY SELF-GENERATED	\$0	\$0	\$0
DEDICATED	\$0	\$0	\$0
FEDERAL FUNDS	\$0	\$0	\$0
LOCAL FUNDS	\$0	\$0	\$0
TOTAL	\$0	\$0	\$0

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

The proposed amendments are not anticipated to materially affect revenue collections for state or local governmental units.

**FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET**

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

- A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

Venture capital organizations, start-ups, and early-stage businesses participating in the program may be affected by the proposed action. The proposed amendment to the rule removed and clarified regulations for participation in the investment program.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

Program participants are expected to benefit as the proposed rule changes are anticipated to increase the amount of investment capital deployed to small businesses.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

Start-ups and early-stage businesses benefiting from the program are anticipated to gain a competitive advantage over other businesses that do not receive investment from this program.