

Jeff Landry
Governor



Susan Bonnett Bourgeois
Secretary

April 6, 2026

RE: Louisiana Seed Capital Program– Summary Report

To Whom It May Concern:

Louisiana Economic Development hereby announces its plan to proceed with rule-making by finalizing the Louisiana Seed Capital Program Rules, originally published as a Notice of Intent on pages 289-291 of the February 20, 2026 *Louisiana Register*.

A public hearing was held on April 2, 2026. No members of the public attended and no written comments received.

No further changes have been made to the proposed rule.

Subject to the legislative oversight by House and Senate Committee on Commerce, LED intends to submit for final publication a Rule in the May 20, 2026 Louisiana Register.

Should you have any questions or concerns, please contact me at (225) 342-3000.

Sincerely,



Leticia Johnson,
Staff Attorney

cc: Senate President
Senate, Committee on Commerce, Consumer Protection, and International Affairs

Speaker, House of Representative
House of Representatives, Committee on Commerce

The proposed amendments are not anticipated to materially affect revenue collections for state or local governmental units. While the proposed rules increase the application fee for the program from a flat \$100 fee to a potential fee of up to \$150, a two percent program fee is eliminated. The application fee is capable of being waived for the program and is required to be waived for socially and economically disadvantaged individual (SEDI) owned businesses and very small businesses (VSB) applications. LED indicates the program has historically waived application fees for program participants. However, the ability to collect application fees for certain applicants remains in the proposed rules.

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

Applicants/borrowers, small businesses, and lenders participating in the program will be affected by the proposed rules. The proposed amendment to the rule removed and changed regulations and procedures for lending institutions and the use of funds for applicants/borrowers. Affected program participants may receive additional benefits as these amendments are anticipated to entice additional lenders to participate in the program and may result in additional collateral support for participating small businesses. Additionally, the proposed rules increase the maximum amount of an application fee that may be charged to applicants and eliminate the two percent program fee. However, the proposed rules continue to allow the fee to be waived and mandate that the fee be waived for SEDI owned businesses and VSB applications.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Small businesses benefiting from the program are anticipated to gain a competitive advantage over other businesses that do not receive the program's benefits.

Anne G. Villa, CFO
Deputy Secretary
2602#050

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

~~NOTICE OF INTENT~~ **RULE**

Louisiana Economic Development
Office of Economic Development
and
Louisiana Economic Development Corporation

Louisiana Seed Capital Program (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., 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.11.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 48:1488 (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.b. ...

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. 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:

A.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 amendment of the Rule is not anticipated to have an impact on family formation, stability, and autonomy as described in R.S. 49:972.

Poverty Impact Statement

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

Small Business Analysis

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

Provider Impact Statement

The proposed amendment 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.

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 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

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Louisiana Seed Capital Program

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT 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 ARRA 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 OR NONGOVERNMENTAL 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.

Anne G. Villa, CFO
Deputy Secretary
2602#049

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Louisiana Economic Development
Office of Economic Development
and
Louisiana Economic Development Corporation**

Micro Loan Program (LAC 19:VII.Chapter 76)

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 Micro Lending Program (MLP).

In accordance with the Office of Governor Executive Order No. JML 25-038, LED reviewed and evaluated the MLP 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 9. Micro Loan Program
Chapter 76. SSCBI Micro Lending Program ARPA
2021**

§7601. Purpose

A. ...

B. Through the American Rescue Plan Act of 2021, which reauthorized the State Small Business Initiative (SSBCI), the U.S. Congress has appropriated funds to be allocated and disbursed to the states that have created programs to increase the amount of capital made available by private lenders to small businesses, and the State of Louisiana has been approved to receive and disburse SSBCI funds within the SSBCI Program. Louisiana Economic Development (LED), which will be working with and through LEDC, has been designated to provide services for the SSBCI, including the Micro Lending Program (MLP), which by a Program Participation Agreement previously entered into, between LEDC and a participating Lender makes additional capital available for eligible loans.

C. The LEDC will utilize SSBCI funds to increase access to credit and capital funding to further assist small businesses statewide, to expand loan capabilities to a broader range of businesses statewide, to direct a greater concentration to those small businesses, and to reach, identify and promote small business growth in low and moderate income communities, in minority communities, in other underserved communities, and to small businesses owned by socially and economically disadvantaged individuals across our state.

D. By partnering with Louisiana CDFIs and other qualifying lenders who share a similar mission driven focus consistent with the purpose of this program, LEDC will provide funding to participating CDFIs, and other qualifying lenders having been approved as a participating lender, for the purpose of making direct loans to small businesses meeting the SSBCI criteria as outlined in the Micro Lending Program's Participation Agreement.

E. Interested small businesses will be referred to participating Lenders for loan qualification purposes. Participating Lenders will apply to LEDC for acceptance to enroll a loan or line of credit under the Program on behalf of their qualified small business borrowers. Participating Lenders are responsible for their own credit underwriting decisions and originating the loans. LEDC's responsibility is: to ensure compliance with the Micro Lending Program requirements; ensure compliance with the SSBCI requirements as directed by Treasury, as well as participation in the program; and to report to the U.S. Treasury.

F. In considering acceptance of the loans presented to LEDC through Lenders having agreed to participate in the Micro Lending Program, the Corporation will consider sound business purpose loans and lines of credit, so long as SSBCI resources permit. The board of directors of the corporation recognizes that loan participations carry certain risks and are willing to undertake reasonable exposure.

G. LEDC will monitor the program, including the repayment progress of borrowers, as well as the servicing performance of participating lenders, in order 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 48:1479 (June 2022), LR 48:1920 (July 2022), amended by Louisiana Economic Development, Office of Economic Development and the Louisiana Economic Development Corporation, LR 52: