

2023 Regular Legislative Session Recap

1A CELEBRATES WINS DURING 2023 REGULAR SESSION

The 2023 Regular Session adjourned Sine Die on June 8 after a flurry of rapid votes on the state operating, supplemental, and construction budgets. While legislators took budget negotiations down to the wire, there are many wins to celebrate for the Acadiana region and the State.

During the session, 1A tracked more than 300 bills related to our **2023 Legislative Priorities** and other business community and local issues. Read on for a breakdown of outcomes on these priorities during the 2023 Regular Session.

View 1A's 2023 Legislative Priorities at OneAcadiana.org/2023Priorities

View 1A's Final Bill Tracker at OneAcadiana.org/Bill-Tracker

BUT FIRST, THE BUDGET

➤ As with every session, many priority issues hinged on the all-important state budget. Legislators spent most of the session in a tug-of-war over whether to exceed the state's constitutionally mandated spending cap, with the Senate favoring a plan to raise the cap and allocate surplus revenue to one-time projects around the state, and the House preferring to direct substantial investments toward paying down state retirement debt.

Legislators eventually found a compromise somewhere in the middle, with House lawmakers agreeing to join the Senate in raising the cap, though at a lesser amount than the Senate originally proposed, while also funding a lower, but still substantial, retirement debt payment.

In the final hectic minutes of session, both chambers agreed to send the \$45 billion state budget ([HB 1](#)) and other supplemental funding bills ([HB 550](#) and [HB 560](#)) to the Governor's desk.

These bills include the following investments:

- **\$450+ million** toward paying down state retirement debt
- **\$450 million** for road and bridge infrastructure
- **\$198 million** for one-time \$2,000 teacher pay raises and \$1,000 support staff pay raises
- **\$182 million** deposited into the Budget Stabilization Fund (aka the Rainy Day Fund)
- **\$147 million** for coastal protection initiatives
- **\$44 million** for early childhood care and education
- **\$37 million** for higher education faculty pay raises
- **\$30 million** for the Fortify Homes Program
- **\$10.5 million** for the MJ Foster Promise Program
- **\$10 million** for the Insure Louisiana Incentive Fund



TAX COMPETITIVENESS

Louisiana consistently gets negative marks for how competitive our tax code is relative to other states. 1A spent this fiscal session advocating for policies to improve the state's tax environment with lower rates and less complexity and simplify our sales tax collection system, which is currently one of the most complicated in the nation. 1A also fought against tax legislation that would harm Louisiana's economic competitiveness.

- **Simplifying Sales Tax Remittance** – [HB 558](#) by Rep. Beaulieu, intends to move the State one step closer to a more streamlined sales tax system for Louisiana's brick and mortar businesses. HB 558 transfers management and supervision authority for the electronic local return and remittance system from the Department of Revenue to the Uniform Local Sales Tax Board (ULSTB) and requires the ULSTB to design and implement a single remittance system. HB 558 passed the Legislature unanimously and has been sent to the Governor's desk.

1A thanks **Rep. Beaulieu** for his continued efforts to improve Louisiana's sales tax system.

- **Corporate Franchise Tax** – Legislators approved a package of tax reform bills brought forward by Senate Revenue and Fiscal Affairs Chairman Bret Allain that included a measure to phase out the corporate franchise tax ([SB 1](#)). 1A would have supported the bill if it had not been tied to passage of another measure that pays for the reduction in the franchise tax by reducing the capital investment portion of the Quality Jobs (QJ) program ([SB 6](#)).

1A has long advocated for repeal of Louisiana's corporate franchise tax, which is essentially a tax for the right to do business in the state, and one which most other states do not impose. Eliminating the franchise tax makes Louisiana more competitive for business. However, QJ is among the most critical economic development tools at the state's disposal. 1A would have preferred legislators identify a pay-for that didn't harm Louisiana's economic development toolkit.

- **Protecting Competitiveness** – Dozens of other tax bills were considered during the session, and 1A opposed measures that would have harmed Louisiana's economic competitiveness, including:
 - [HB 641](#) by Ways and Means Chairman Stuart Bishop – this bill would have terminated tax exemptions, exclusions, credits, and other tax incentives in 2027 unless legislators reauthorize each one. This includes critical economic development programs, such as the Angel Investor Tax Credit, the Digital Interactive Media and Software Program, the Research and Development Tax Credit, and more. 1A joined with business and economic development partners across the State in opposition to HB 641. Chairman Bishop expressed that his intention was to continue conversations about the need to simplify the State's tax code, but after substantial opposition, he explained that he would not force a vote on a bill that he knew was unlikely to pass.
 - [HB 491](#) by Rep. Marcelle – this legislation would have repealed the automatic reduction in individual income tax rates and the corporation franchise tax rate if certain revenue thresholds are met. The bill failed to clear House Ways and Means.



➤ **Economic Development Incentives** – Louisiana has a slate of economic development tools in place to attract new jobs and investment to the state. Most of these programs are scheduled to sunset unless legislative action is taken to extend them. This session, three bills to sustain and strengthen critical State economic development programs were sent to the Governor’s desk:

- [HB 408](#) by Rep. Willard – allows Research and Development (R&D) Tax Credit recipients to also access grants from the state’s Small Business Innovation Retention Fund and Small Business Innovation Recruitment Fund, which were created in 2022 to bolster applications for the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grant programs
- [SB 69](#) by Sen. Foil – extends the sunset of the R&D Tax Credit, which is designed to encourage existing businesses with operating facilities in Louisiana to establish or continue research and development activities within the state
- [SB 108](#) by Sen. Jimmy Harris – extends the sunset of the Angel Investor Tax Credit, which encourages investment in early stage, small wealth-creating Louisiana businesses that are seeking startup and expansion capital

1A thanks **Rep. Willard**, **Sen. Foil**, and **Sen. Jimmy Harris** for their work to extend and strengthen the R&D and Angel Investor programs.

➤ **Carbon Capture and Storage (CCS)** – House Speaker Clay Schexnayder led legislation, [HB 571](#), establishing a comprehensive legal framework for carbon capture projects in Louisiana, including provisions for permitting, revenue sharing, public notice and reporting, environmental analysis, and more. The original bill would have enacted a carbon dioxide extraction tax, but that provision was amended out of the bill after concern from House legislators. The Conference Committee Report for HB 571 was approved by both chambers in the final minutes of session and the bill has been sent to the Governor.

Legislators in both chambers also approved resolutions – [HR 229](#) by Rep. Coussan and [SR 123](#) by Senate President Cortez – requesting the U.S. Environmental Protection Agency (EPA) grant Louisiana’s application for primacy in the administration of Class VI injection well permitting. Louisiana’s Department of Natural Resources (DNR) submitted the State’s primacy application in 2021, and the EPA recently published a proposed rule to grant Louisiana’s request, which would give DNR’s Office of Conservation jurisdiction and oversight of carbon capture and sequestration permitting within the State.

Louisiana has long been a global energy leader and granting primacy will allow continued stewardship and innovation by Louisiana’s geologic and industry experts to grow the economy in an environmentally responsible manner. 1A President & CEO Troy Wayman will speak at a public hearing in June to urge the EPA to grant Louisiana’s primacy application.

1A thanks **Senate President Cortez** and **Rep. Coussan** for their leadership in recognizing the economic opportunities of CCS for Louisiana.

1A also opposed anti-CCS bills that could have had a chilling effect on carbon capture projects in Louisiana:

- [HB 10](#), [HB 35](#), and [HB 312](#) by Rep. Robby Carter
- [HB 120](#) by Rep. Muscarello
- [HB 267](#) and [HB 308](#) by Rep. Wheat
- [HB 453](#) and [HB 454](#) by Rep. Mack



- Legislators held a Special Session in February to address Louisiana’s property insurance crisis, agreeing on a plan to direct \$45 million into a fund to incentivize insurers to write homeowner’s policies in Louisiana. During the Regular Session, legislators prioritized identifying more permanent solutions to stabilize the State’s insurance market for the future. 1A supported measures to increase availability, affordability, and reliability of property insurance, and help mitigate future storm damage, including bills that require insurers to offer endorsements for fortified roof upgrades and provide premium discounts to insureds who build or retrofit structures in compliance with fortified roof standards.

Several related bills have been signed into law by Governor Edwards or await his signature:

- [HB 110](#) by Rep. Firment (Became Act 12)
- [HB 183](#) by Rep. Firment (Sent to Governor)
- [HB 294](#) by Rep. Willard (Became Act 1)
- [HB 489](#) by Rep. Huval (Sent to Governor)
- [SB 113](#) by Sen. Hewitt (Became Act 45)

1A thanks **Rep. Firment**, **Rep. Willard**, **Rep. Huval**, and **Sen. Hewitt** for their work to provide greater stability and affordability for Louisiana’s property insurance market.

INFRASTRUCTURE INVESTMENT

- Another essential measure was [HB 2](#) by Rep. Bishop, the state’s annual construction budget, known as the capital outlay bill. This year’s bill boasted record investments for Acadiana, including the projects listed below, which have been slated for near-term investments through “Priority 1” cash lines of credit or direct appropriations from various state funds:

- **\$101.8 million** for I-49 South (Priority 1, Megaprojects Leverage Fund)
- **\$64.4 million** for port construction and development (TTF, Gen. Fund)
- **\$51.5 million** for UL Lafayette (Priority 1, Capital Outlay Savings Fund)
- **\$35 million** for the Acadiana Gulf of Mexico Access Channel (Priority 1)
- **\$25 million** for UL Lafayette’s New Iberia Research Center (Priority 1)
- **\$17.5 million** for a new Lafayette Parish Jail (Gen. Fund, Capital Outlay Savings Fund)
- **\$13 million** for University Avenue Corridor improvements (Priority 1)
- **\$13 million** for Bayou Vermilion Flood Control project (Priority 1)
- **\$10.6 million** for LSU Eunice (Priority 1, Capital Outlay Savings Fund, Fees/Self-Gen)
- **\$10 million** for U.S. 90 from Lafayette to St. Mary (Capital Outlay Savings Fund)
- **\$5 million** for roundabouts in Lafayette (Priority 1)
- **\$4.2 million** for Acadiana Regional Airport (Priority 1, Gen. Fund)
- **\$4 million** for the Lafayette Metropolitan Expressway (Priority 1)
- **\$2.5 million** for Verot School Road Widening (Gen. Fund)
- **\$2 million** for an I-10 Frontage Road from LA 328 to LA 347 in St. Martin Parish (Capital Outlay Savings Fund)
- **\$2 million** for the Port of West St. Mary (Priority 1)
- **\$1.3 million** for LA 13 in Acadia Parish (Priority 1)
- **\$1 million** for the Bayou Plaquemine Brulé Bridge (Priority 1)
- **\$1 million** for LA 355 in Vermilion Parish (General Fund)

In addition to the above investments, many more road and bridge, higher education, and community projects in Acadiana were earmarked for funding in the State’s annual construction budget – [review the full HB 2 here](#).

1A thanks **Chairman Bishop** for his work shepherding the capital outlay budget through the Legislature each year and for prioritizing investments in critical infrastructure projects in Acadiana.



- **Louisiana Watershed Initiative** – the Legislature also considered measures relating to administration and implementation of the Louisiana Watershed Initiative (LWI), launched by Governor Edwards in 2018 to coordinate floodplain management responsibilities across all levels of government and develop long-term solutions for sustainability and resilience. The program has been operating under an Executive Order since 2018, but this session Sen. Fred Mills worked diligently on legislation to provide a permanent governance framework for LWI across the State as well as in the Acadiana region. While the regional effort proved successful, the bill to establish a statewide framework ended up fizzling out in the final days of session.
 - **SB 42** – would have established a statutory framework for the LWI by authorizing the initiative under state law as an entity within the Division of Administration, creating a permanent legal framework to carry out program initiatives. SB 42 was still pending House final passage when the Legislature adjourned Sine Die.
 - **SB 102** – establishes the Acadiana Watershed District (District) within the LWI and provides for its governance authorities and duties. The District will be responsible for leading efforts to promote drainage and flood-risk reduction within the bounds of its 15-parish region. SB 102 passed the Legislature and has been sent to the Governor’s desk.
- **Port Development** – Legislators also sent **SB 214** by Sen. McMath, legislation creating the Office of Port Development within Louisiana Economic Development (LED), to the Governor's desk. The Office will be charged with development and implementation of a statewide strategic plan for Louisiana’s ports and will be headed by a commissioner, appointed by the Governor, who will report to the LED Secretary. The bill also establishes the Port Development Advisory Commission, an 11-member body that will develop and provide operational recommendations for the Office to the Legislature prior to the 2024 Regular Session.

TALENT DEVELOPMENT

- Strengthening Acadiana’s talent pipeline will require targeted investments in workforce development, including improving access to higher education institutions and bolstering the state’s career-readiness programs. 1A supported related efforts this session as part of our **55 by 25 initiative**, which aims to increase the proportion of working-age adults in Acadiana with postsecondary degrees, certificates, or other high-value credentials to 55 percent by 2025.

The following 1A priority bills have been sent to the Governor’s desk:

- **MJ Foster Promise Program Improvements** – **SB 204** by Sen. Hewitt makes eligibility changes to the **MJ Foster Promise Program**, which provides financial support for Louisiana adults to earn credentials that align with high-demand jobs. Only about 10% of program funds have been utilized and SB 204 makes the program accessible to more students by tweaking some provisions, including the requirement that students complete the FAFSA, which was not designed with adult learners in mind.
- **Career Readiness Data Sharing** – **SB 205** by Senate President Page Cortez creates the Louisiana Foundational Integrated Research System for Transformation (LA FIRST) program, to be managed by the Board of Regents, through the Blanco Public Policy Center at UL Lafayette. This legislation enables data-sharing agreements with several state agencies so that career readiness and criminal justice programs can be better evaluated for their effectiveness and return on public investment.

1A thanks **Senate President Cortez** and **Sen. Hewitt** for their efforts to strengthen and improve our State’s higher education and career readiness programs.



Work-Based Learning – 1A also supported [HB 637](#) by Rep. Mincey, which would have established a tax credit for businesses to employ eligible students as interns in work-based learning programs designed to incorporate on-the-job training for high-wage, high-demand occupations. The bill failed to clear House Ways and Means due to concerns surrounding the costs, which were deemed indeterminable. To keep the ball rolling between now and next session, Rep. Mincey introduced [HR 215](#), which requests the State Department of Education and the Louisiana Workforce Commission study the feasibility of establishing such a program.

THAT'S A WRAP

As always, 1A worked to amplify the business community's voice on priority issues during the Regular Session. We ensured a regular presence at the State Capitol and swift communication of 1A policy positions to legislators.

One key highlight of the session was **Acadiana Red and White Day** on May 9. 1A joined together with the University of Louisiana at Lafayette and the UL Lafayette Alumni Association at the Capitol to celebrate Acadiana's economic development and higher education partnerships and achievements.

1A would like to thank Tommy Hebert of CLECO for chairing our Governmental Affairs Committee, a group of leaders with invaluable experience, including government relations and advocacy. Thank you as well to 1A investor Centanni Communications for providing 1A with access to [My Capitol Watchdog](#), a tracking tool that helps us stay on top of bills as they move through the legislative process. We would also like to thank 1A investor [The Picard Group](#) for helping to represent 1A at the Capitol.

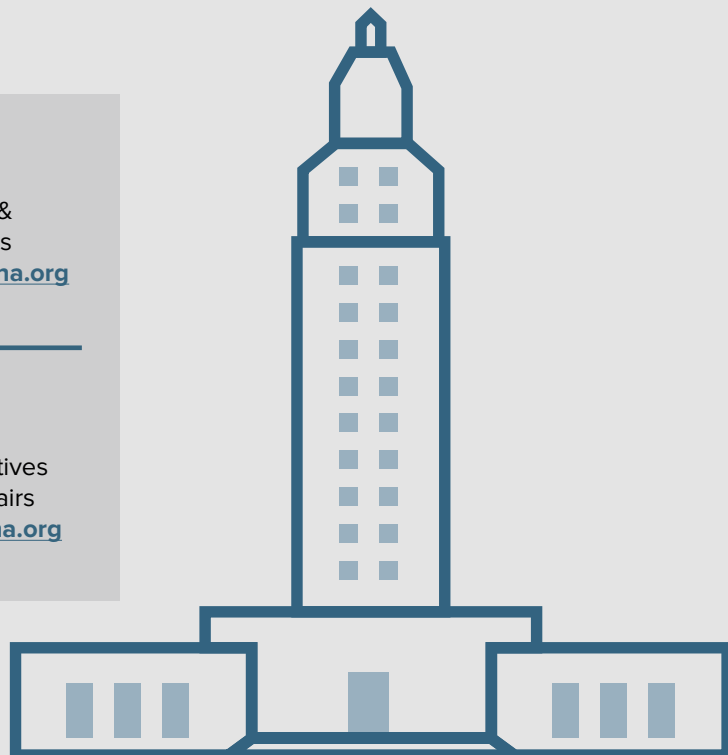
QUESTIONS? CONTACT:



André Breaux
VP, Policy Initiatives &
Governmental Affairs
Andre@OneAcadiana.org



Keely McGibboney
Director, Policy Initiatives
& Governmental Affairs
Keely@OneAcadiana.org



RECOGNIZING SERVICE

We would like to give **special thanks to our 1A-region legislators** for their service and leadership. We especially thank those that are term-limited for their years of dedication to Acadiana and the entire State of Louisiana.

TERM-LIMITED 1A-REGION LEGISLATORS



Senate President
Patrick Page Cortez



Senator
R. L. Bret Allain, II



Senator
Fred H. Mills, Jr.



Representative
Stuart J. Bishop



Representative
Mike Huval

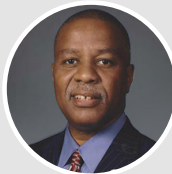


Representative
Vincent J. Pierre

NON-TERM-LIMITED 1A-REGION LEGISLATORS



Senator
Mark Abraham



Senator
Gerald Boudreaux



Senator
Heather Cloud



Senator
Bob Hensgens



Representative
Beryl Amedée



Representative
Gerald "Beau"
Beaulieu, IV



Representative
Ryan Bourriaque



Representative
Marcus Bryant



Representative
Rhonda Butler



Representative
Jean-Paul Coussan



Representative
Phillip DeVillier



Representative
Julie Emerson



Representative
Jonathan Goudeau



Representative
Blake Miguez



Representative
Dustin Miller



Representative
Troy D. Romero



Representative
Vincent "Vinney"
St. Blanc, III



Representative
John M. Stefanski