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# Landry shakes up Louisiana Economic Development agency

## New law eliminates labor union board seat, exempts LED from purchasing regs

By: [Wesley Muller](#) - June 11, 2024 6:38 pm



Aerial view of Louisiana State Capitol building. (Photo credit: Wesley Muller/Louisiana Illuminator)

Gov. Jeff Landry signed a bill into law Tuesday that restructures the Louisiana Economic Development (LED) agency, eliminates labor union representation from its board and exempts the agency from certain state purchasing laws that critics say have caused bureaucratic delays.

[Senate Bill 494](#), sponsored by Sen. Beth Mizell, R-Franklinton, attracted scant attention during a recent legislative session with a number of more controversial measures. Nevertheless, the governor held a news conference to commemorate his signing of the bill.

It gives the LED secretary discretion to reverse the denial of any LED incentives for businesses that lose them by missing a filing deadline or failing to meet a requirement as the result of an event beyond their control. LED offers billions worth of corporate incentives with generous tax breaks, such as the Quality Jobs tax credit, film tax credit, Industrial Tax Exemption Program (ITEP), Restoration Tax Abatement, Angel Investor Tax Credit, and many others.

Mizell's bill also eliminates several of the agency's executive positions, including the undersecretary and assistant secretaries, giving the secretary more autonomy to tailor LED's leadership roster.

Additionally, the bill changes some of the qualification requirements that were in place for appointees to the board of directors for the Louisiana Economic Development Corporation, a financial arm of LED. Notably, it removes a requirement that one of the board seats be chosen from a list of private sector individuals submitted by the Louisiana chapter of the AFL-CIO, which is the largest labor union federation in the country. The new qualification for that seat is a private sector individual with experience as a startup founder.

Mizell's bill further establishes a separate 11-member advisory committee called the Louisiana Economic Development Partnership. It is charged with advising LED on project opportunities, strategies and incentive programs to promote growth in the state.

## New Orleans Pelicans get millions in incentives for creating 'quality jobs' for NBA players

The New Orleans Pelicans receive a \$3.65 million cash rebate every year from Louisiana — more than any other company — by counting its professional basketball players' positions as newly-created direct jobs under the state's Quality Jobs program, an economic incentive that's

The governor has authority to appoint nine of the committee members — one from within each of the state's eight economic regions, and one at-large member. The Louisiana Legislature gets to appoint the remaining two committee members.

Lastly, the new law exempts LED from state [procurement laws](#) related to the purchasing of information technology (IT) equipment, software and services. LED no longer has to go through the state Office of Technology Services for those kinds of purchases, though it will still be subject to state bid laws and legislative oversight.

"It's taking them ridiculous amounts of time to get simple services and get programs mobilized ... It's time-intensive, and it's cost-intensive," Sen. Heather Cloud, R-Turkey Creek, said on the Senate floor last month.

The Senate Finance Committee had heard testimony during a May 6 hearing that the procurement process for basic IT services was taking between nine and 12 months, Cloud said.

At Tuesday's press conference, LED Secretary Susan Bourgeois praised the legislation, which takes effect immediately, though the changes to the procurement process will occur through a transition that will be final by June 30, 2025.

"Senate Bill 494 is one of the most consequential pieces of legislation ever passed as it relates to economic development in Louisiana," Bourgeois said. "It completely reimagines the visioning, planning and oversight of our economic development efforts. It creates a private-sector-focused advisory board. It gives LED the freedom to streamline procurement, leverage new technology and compete at the speed of business."

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