

HOUSE COMMERCE COMMITTEE

Minutes of Meeting
1997 Regular Session
April 7, 1997

I. CALL TO ORDER

Representative John Travis, Chairman of the House Commerce Committee, called the meeting to order at 9:15 a.m. in Committee Room 1 of the State Capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative John Travis,
Chairman
Representative Pete Schneider,
Vice Chairman
Representative Sydnie Mae Durand
Representative Dan Flavin
Representative Mickey Frith
Representative Butch Gautreaux
Representative Herman Hill
Representative Michael Michot
Representative Edwin Murray
Representative Gil Pinac
Representative Tank Powell
Representative Sharon Weston

MEMBERS ABSENT:

Representative Robert Barton
Representative Arthur Morrell

III. STAFF MEMBERS PRESENT

T. Michael White, Attorney
Cindy Mancuso, Attorney
Sandy Painting, Secretary
Ed Cailleteau and Jim Haas, Sergeants at Arms

IV. DISCUSSION

Cindy Mancuso, staff attorney, House Commerce Committee, appeared before the committee at the request of Representative Travis to brief the members on the committee rules (see attached).

Representative Travis asked the committee members to adhere to these committee rules and said rules were adopted by the committee.

House Bill No. 2063 by Representative Forster

Representative Travis appeared before the committee and made a motion to report House Bill No. 2063 without action, which would provide relative to certain entities created under the Cooperative Economic Development Law, including provisions relative to audits and the application of the Code of Governmental Ethics. He stated that House Bill No. 2063 should be recommitted to the House and Governmental Affairs Committee. There was no objection and House Bill No. 2063 was reported without action by a vote of 10 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, and Powell.

House Bill No. 2160 by Representative Faucheux

Representative Faucheux appeared before the committee to present House Bill No. 2160 which provides relative to the Unfair Trade Practices and Consumer Protection Law and creates the office of insurance consumer counsel. He stated that as long as an insurance rating commission is in existence, the counsel would be comprised of an attorney, an actuary, and a staff under the attorney general's office who would represent the interest of the people of the state of Louisiana. He stated that this legislation is in place in the state of Texas and has saved the consumers of Texas over eight billion dollars.

Representative Travis informed the committee that at the end of five years the total cost would be \$2,292,848 as reflected by the fiscal note.

Representative Schneider asked Representative Faucheux if the attorney general's office had been contacted regarding the feasibility of this endeavor.

Representative Faucheux stated that he had not been in contact with the attorney general's office.

Representative Travis asked if the funding of this office would come from the policyholders.

Representative Faucheux stated that there would be a charge of ten cents per policy written.

Representative Travis asked what additional purpose would be served by the creation of this office in addition to the Insurance Rating Commission.

Representative Faucheux stated that if we do away with the Insurance Rating Commission, this office would not be needed. He stated that if insurance is deregulated in Louisiana, and there is no insurance rating commission, then this office would serve no function.

Representative Travis asked what the purpose of this office would be as long as there is an insurance rating commission in existence.

Representative Faucheux stated that this new office would serve as an advocate of the consumers of the state of Louisiana before the Insurance Rating Commission. He stated that this office would present their information as to any increases or any practices that are taking place by a particular insurance company which is in fact requesting a rate change or rate increase.

Representative Powell stated that he was opposed to creating another office as he saw no benefit to the consumer and also that it would be very costly. He asked if Mr. Faucheux knew the makeup of the Insurance Rating Commission.

Mr. Faucheux stated that he did not think there were any consumer advocates on the Insurance Rating Commission.

Mr. E. L. "Bubba" Henry, State Farm Insurance, 451 Florida Blvd., Premier Towers, 19th Floor, Baton Rouge, Louisiana 70801, (504) 336-5200, appeared before the committee in opposition to House Bill No. 2160. He stated that it was against the rules of the commission to be affiliated with the insurance business in any way and be a member of the commission. He stated that this legislation would create more governmental bureaucracy and would add to the additional costs of operating the insurance industry in this state. He also stated that this legislation does not address a problem that is not already regulated as insurance is thoroughly regulated in this state.

Mr. Jim Brown, Insurance Commissioner of the Department of Insurance, appeared before the committee for informational purposes only. He stated that Louisiana was the only state that had an insurance rating commission and an insurance commissioner. He urged the committee and Mr. Faucheux to put this office under the Department of Insurance if such an office is created.

Representative Fauchaux stated he was willing to accept the suggestions of the insurance commissioner.

Representative Murray offered a set of amendments to House Bill No. 2160 that would state that the office of consumer counsel would dissolve upon the abolishment of the Insurance Rating Commission and also that the fee would only apply to those insurance policies that are written that apply to property and casualty. There was no objection and these amendments were adopted by a vote of 12 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

Representative Murray made a motion to report House Bill No. 2160 with amendments. Objection was raised and a roll call vote was taken. This motion failed by a vote of 5 yeas and 8 nays. Those voting yeas were Representatives Durand, Frith, Gautreaux, Murray, and Weston. Those voting nays were Representatives Travis, Schneider, Barton, Flavin, Hill, Michot, Pinac, and Powell.

Representative Schneider made a motion to defer action on House Bill No. 2160. There was no objection and action was deferred on House Bill No. 2160 by a vote of 13 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 418 by Representative Travis

Mrs. Kathleen Blanco, Lieutenant Governor, P. O. Box 44243, Baton Rouge, Louisiana, 70804, (504) 342-7009, appeared before the committee to present House Bill No. 418 which adds a member from the Louisiana Bed and Breakfast Association to the Louisiana Tourism Development Commission. She stated that the bed and breakfast association is a critical component of our tourism efforts and encouraged the committee to allow them to have formal representation on the Tourism Development Commission.

Representative Murray offered an amendment to House Bill No. 418 which would add a member from the Louisiana Business League to serve on the Tourism Development Commission. There was no objection to this amendment and said amendment was adopted by a vote of 13 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

Representative Weston made a motion to report House Bill No. 418 with amendments. There was no objection and House Bill No. 418 was reported with amendments by a vote of 13 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 568 by Representative Travis

Mrs. Kathleen Blanco, Lieutenant Governor, P. O. Box 44243, Baton Rouge, Louisiana, 70804, (504) 342-7009, appeared before the committee to present House Bill No. 568 which clarifies the required time for submission of the statewide master plan for marketing tourism. She stated that there was a conflict in current law wherein it is stated in one section that the master plan for marketing tourism should be submitted every three years and in another section it is stated that it should be submitted every year. She stated that this legislation is just a house cleaning measure to take care of that conflict and would make the submission requirement once a year.

There was no further discussion on House Bill No. 568.

Representative Murray made a motion to report House Bill No. 568 favorably. There was no objection and House Bill No. 568 was reported favorably by a vote of 13 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 607 by Representative Travis

Mrs. Kathleen Blanco, Lieutenant Governor, P. O. Box 44243, Baton Rouge, Louisiana, 70804, (504) 342-7009, appeared before the committee to present House Bill No. 607 which provides for the appointment of the assistant secretary of the office of tourism within the Department of Culture, Recreation and Tourism by the lieutenant governor. She stated that this legislation was just another house cleaning measure to clarify that the appointment of the assistant secretary is made by the lieutenant governor and not the governor.

There was no further discussion on House Bill No. 607.

Representative Murray made a motion to report House Bill No. 607 favorably. There was no objection and House Bill No. 607 was reported favorably by a vote of 13 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 694 by Representative Travis

Mrs. Kathleen Blanco, Lieutenant Governor, P. O. Box 44243, Baton Rouge, Louisiana, 70804, (504) 342-7009, appeared before the committee

to present House Bill No. 694

which transfers the Louisiana Music Commission from the Department of Economic Development to the Department of Culture, Recreation and Tourism. She stated that this legislation was at the request of the Department of Economic Development.

Representative Travis offered a set of amendments to House Bill No. 694 which would create the office of music development within the Department of Culture, Recreation and Tourism and provides for its functions and duties and also provides that the function of the Louisiana Music Commission is to advise the office of music development on all matters relative to the promotion of music. There was no objection to these amendments and they were adopted by a vote of 11 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, and Powell.

There was no further discussion on House Bill No. 694.

Representative Barton made a motion to report House Bill No. 694 with amendments. There was no objection and House Bill No. 694 was reported with amendments by a vote of 11 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, and Powell.

House Bill No. 1539 by Representative Hammett

Representative Hammett appeared before the committee to present House Bill No. 1539 which requires businesses participating in the Enterprise Zone program to create a minimum number of net new jobs. He stated that this legislation is targeted toward the existing businesses participating in the Enterprise Zone program that are expanding and requires them to create the number of new jobs equal to a minimum of ten percent of its existing work force.

There was no further discussion on House Bill No. 1539.

Representative Barton made a motion to report House Bill No. 1539 favorably. There was no objection and House Bill No. 1539 was reported favorably by a vote of 12 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, and Powell.

House Bill No. 1339 by Representative Barton

Representative Barton appeared before the committee to present House

Bill No. 1339 which is relative to unfair and deceptive trade practices. He stated that this legislation was submitted at the request of the attorney general's office and that it would require

advertisements for jobs to be performed at home to be more specific such as listing the exact description of the work to be performed, the wages you can expect to make, and the type of payment.

There was no further discussion on House Bill No. 1339.

Representative Gautreaux made a motion to report House Bill No. 1339 favorably. There was no objection and House Bill No. 1339 was reported favorably by a vote of 13 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 365 by Representative Travis

Representative Travis appeared before the committee to present House Bill No. 365 which applies the economically disadvantaged business development program only to persons who are United States citizens and residents of Louisiana.

There was no discussion on House Bill No. 365.

Representative Schneider made a motion to report House Bill No. 365 favorably. There was no objection and House Bill No. 365 was reported favorably by a vote of 12 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 417 by Representative Travis

Representative Travis appeared before the committee to present House Bill No. 417 which requires that all persons receiving financial assistance administered by the Department of Economic Development through the Louisiana Economic Development Corporation be United States citizens.

There was no discussion on House Bill No. 417.

Representative Schneider made a motion to report House Bill No. 417 favorably. There was no objection and House Bill No. 417 was reported favorably by a vote of 12 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 567 by Representative Travis

Representative Travis appeared before the committee to present House Bill No. 567 which re-creates the Department of Economic Development.

Representative Murray stated that he had not received all of the requested information regarding a previous oversight hearing concerning a contract with a professor at Louisiana State University. He asked the Department of Economic Development to cooperate with his request.

Ms. Nadia Goodman, Department of Economic Development, P. O. Box 94185, Baton Rouge, Louisiana 70804, (504) 342-5390, appeared before the committee and responded to Representative Murray's concerns regarding his requested information. She stated that she would see that all information which was requested would be provided to Representative Murray.

Representative Murray made a motion to report House Bill No. 567 favorably. There was no objection and House Bill No. 567 was reported favorably by a vote of 12 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 693 by Representative Travis

Representative Travis appeared before the committee to present House Bill No. 693 which transfers administration of the Economic Development Awards Program from Louisiana Economic Development Corporation to the Department of Economic Development.

Representative Frith offered a technical amendment to House Bill No. 693 which would clarify that the Economic Development Corporation will not administer the Economic Development Awards Program. There was no objection and this amendment was adopted by a vote of 12 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

Representative Frith made a motion to report House Bill No. 693 favorably. There was no objection and House Bill No. 693 was reported favorably by a vote of 12 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Barton, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 695 by Representative Travis

Representative Travis appeared before the committee to present House Bill No. 695 which clarifies responsibilities concerning bonding assistance

with regard to the Economically Disadvantaged Business Development Program.

Ms. Nadia Goodman, Department of Economic Development, P. O. Box 94185, Baton Rouge, Louisiana 70804, (504) 342-5390, appeared before the committee and stated that this legislation just clarifies that the Economically Disadvantaged Business Development Program would still provide management and technical assistance functions and the Louisiana Economic Development Corporation's function would be financial assistance and surety bonding.

Representative Schneider asked if present law places a limit on the corporation of two million dollars annually.

Mr. Bret Crawford, executive director, Louisiana Economic Development Corporation, P.O. Box 44153, Baton Rouge, Louisiana 70804, (504) 342-5675, appeared before the committee and responded to Representative Schneider's question. He stated that the two million dollars is a minimum and not a maximum.

There was no further discussion on House Bill No. 695.

Representative Schneider made a motion to report House Bill No. 695 favorably. There was no objection and House Bill No. 695 was reported favorably by a vote of 13 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 1835 by Representative Travis

Representative Travis appeared before the committee to present House Bill No. 1835 which provides fees to be charged by the Louisiana Economic Development Corporation with regard to certain programs.

Mr. Bret Crawford, executive director, Louisiana Economic Development Corporation, P. O. Box 44153, Baton Rouge, Louisiana 70804, (504) 342-5675, appeared before the committee and stated that this legislation was a request for authorization to increase the guarantee fees charged by the Louisiana Economic Development Corporation on its various capital access ability programs. He stated that these programs are designed to provide access to capital for small businesses that would otherwise find it difficult going to a bank or other financial institution and that these fees are currently set at two percent.

Representative Barton made a motion to report House Bill No. 1835 favorably. There was no objection and House Bill No. 1835 was reported favorably by a vote of 8 yeas and 0 nays. Those voting yea were Representatives Travis, Barton, Durand, Flavin, Gautreaux, Hill, Michot, and Weston.

House Bill No. 1103 by Representative Travis

Ms. Nadia Goodman, Department of Economic Development, P. O. Box 94185, Baton Rouge, Louisiana 70804, (504) 342-5390, appeared before the committee to present House Bill No. 1103 which creates the Louisiana International Trade Development Act. She stated that the governor's office had an amendment to this legislation.

Mr. Kevin Cunningham, assistant chief of staff, office of the governor, appeared before the committee to explain the amendment which would add two associations to the list of those who can make nominations to the board, one being the New Orleans Steamship Association and the other being the Louisiana Railroad Association.

Representative Travis questioned the addition of these two associations.

Ms. Vera Olds, New Orleans Steamship Association, P. O. Box 44081, Baton Rouge, Louisiana 70804, (504) 338-1758, appeared before the committee in support of House Bill No. 1103 and stated that this association would like to participate in furthering international trade.

Representative Durand pointed out that the makeup of the board was strange as it included some chambers of commerce and not others.

Representative Travis asked Mr. Cunningham to discuss this with the governor and work something out that would be in agreement with everyone.

Representative Travis offered an amendment to House Bill No. 1103 which would allow ex officio members to send a designee and not necessarily the first assistant. There was no objection and this amendment was adopted by a vote of 13 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Barton, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

Mr. Harvey Koch, former president of the World Trade Center, 2503 Broadway St., New Orleans, Louisiana 70125, (504) 566-7528, appeared before the committee in support of House Bill No. 1103. He agreed that the state needs equal representation and that international trade needs its own representation from people who are trying to promote the state. He encouraged the committee to pass this legislation.

Representative Schneider made a motion to report House Bill No. 1103 with amendments. There was no objection and House Bill No. 1103 was reported with amendments by a vote of 11 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Durand, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 1239 by Representative Travis

Ms. Nadia Goodman, Department of Economic Development, P. O. Box 94185, Baton Rouge, Louisiana 70804, (504) 342-5390, appeared before the committee to present House Bill No. 1103 which provides relative to the initial submission of the statewide plan for economic development.

Representative Travis offered an amendment to House Bill No. 1239 that would change the date for the initial submission of the statewide plan for economic development from April 1, 1998 to January 1, 1999. There was no objection to this amendment and it was adopted by a vote of 11 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Durand, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

There was no further discussion on House Bill No. 1239.

Representative Schneider made a motion to report House Bill No. 1239 with amendments. There was no objection and House Bill No. 1239 was reported with amendments by a vote of 11 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Durand, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 1240 by Representative Travis

Ms. Nadia Goodman, Department of Economic Development, P. O. Box 94185, Baton Rouge, Louisiana 70804, (504) 342-5390, appeared before the committee to present House Bill No. 1240 which changes deadlines for reporting and approval of applications for incentive tax credits under the Louisiana Quality Jobs Program Act.

Representative Travis offered an amendment to House Bill No. 1240 that would delete the reference to renewal applications to receive incentive tax credits under the Louisiana Quality Jobs Program Act. There was no objection to this amendment and it was adopted by a vote of 11 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Durand, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

There was no further discussion on House Bill No. 1240.

Representative Schneider made a motion to report House Bill No. 1240 with amendments. There was no objection and House Bill No. 1240 was reported with amendments by a vote of 11 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Durand, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 1241 by Representative Travis

Ms. Nadia Goodman, Department of Economic Development, P. O. Box 94185, Baton Rouge, Louisiana 70804, (504) 342-5390, appeared before the committee to present House Bill No. 1241 which permits the secretary of the Department of Economic Development to appoint a designee to serve in his place on the Board of Commerce and Industry.

There was no further discussion on House Bill No. 1241.

Representative Frith made a motion to report House Bill No. 1241 favorably. There was no objection and House Bill No. 1241 was reported favorably by a vote of 11 yeas and 0 nays. Those voting yeas were Representatives Travis, Schneider, Durand, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 1102 by Representative Travis

Ms. Nadia Goodman, Department of Economic Development, P. O. Box 94185, Baton Rouge, Louisiana 70804, (504) 342-5390, appeared before the committee to present House Bill No. 1102 which creates the regional initiatives program within the Department of Economic Development to financially assist substate economic development organizations. She stated that this legislation proposed to provide financial assistance and grants to substate economic development organizations for specific projects that carry out the objectives of the statewide economic development program. She stated that applicants would be required to make application for up to 75% of the total project cost and said applicant must prove that there is a positive economic impact on at least one entire parish, preferably multiple parishes.

Representative Travis asked for examples of the substate economic development organizations referred to in this legislation.

Ms. Goodman gave an example of a chamber of commerce, a regional planning commission such as Capital Region Planning Commission, or a multi-parish economic development organization.

Representative Travis stated that the fiscal note reflected a cost to the state of one million dollars and had concerns that an amount of two million dollars was requested.

Representative Schneider made a motion to defer action on House Bill No. 1102. There was no

objection and action was deferred on House Bill No. 1102 by a vote of 11 yeas and 0 nays. Those voting yea were Representatives Schneider, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

House Bill No. 2057 by Representative Farve

Representative Travis, at the request of Representative Farve, made a motion to defer action on House Bill No. 2057 which provides for a Youth Business and Another Chance Economic Development Program. There was no objection and action was deferred on House Bill No. 2057 by a vote of 12 yeas and 0 nays. Those voting yea were Representatives Travis, Schneider, Durand, Flavin, Frith, Gautreaux, Hill, Michot, Murray, Pinac, Powell, and Weston.

V. OTHER BUSINESS

There was no other business discussed.

VI. ANNOUNCEMENTS

There were no announcements.

VII. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:00 a.m.

Respectfully submitted,

John Travis, Chairman

Date Approved: _____