

House Committee on Commerce

Minutes of Meeting
2023 Regular Session
May 22, 2023

I. CALL TO ORDER

Representative Paula P. Davis, chairman of the House Committee on Commerce, called the meeting to order at 9:38 a.m. in Room 1, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

MEMBERS PRESENT:

Representative Paula P. Davis, chairman
Representative Chad Brown
Representative Kenny R. Cox
Representative Adrian Fisher
Representative Jonathan Goudeau, I
Representative Kyle M. Green, Jr.
Representative Edmond Jordan
Representative Vanessa Caston LaFleur
Representative Scott McKnight
Representative Candace N. Newell
Representative Thomas A. Pressly
Representative Vincent "Vinney" J. St. Blanc, III
Representative Phillip Eric Tarver
Representative Polly Thomas

MEMBERS ABSENT:

Representative Bryan Fontenot
Representative Stephanie Hilferty, vice chairman
Representative Paul Hollis

STAFF MEMBERS PRESENT:

Victoria Kelley, legislative analyst
Kathryn Vigrass, legislative analyst
Sharell Steven, committee administrative assistant

ADDITIONAL ATTENDEES PRESENT:

Myrtis Jarrell, sergeant at arms
Nevonda Reed, division director
Randall Ike, student clerk

III. DISCUSSION OF LEGISLATION**House Resolution No. 155 by Representative Deshotel**

Representative Deshotel presented House Resolution No. 155, which creates a study group to study the barriers to deploying broadband across public and private property.

Representative Davis offered amendments to add the Louisiana Energy and Power Authority to the study group. Representative Davis offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Representative Newell offered a motion to report House Resolution No. 155 with amendments. Without objection, House Resolution No. 155 was reported with amendments by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Witness cards submitted by individuals who did not speak are as follows: 5 in support and 2 for information only. Witness cards are included in the committee records.

Senate Bill No. 173 by Senator Foil

Senator Foil presented Senate Bill No. 173, which provides for the disposition of monies designated for horse racing purses.

Representative Davis offered amendments to make technical changes. Representative Davis offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Representative Davis offered amendments to:

- (1) Make technical changes.
- (2) Add and amend present law to remove that monies are to be distributed by licensee and add that certain overpayment, once remitted to the Horsemen's Benevolent Protective Service (HBPA), shall be carried as an asset. Add that at thoroughbred and quarter horse race meetings, in the event of certain underpayment, certain monies shall also be retained by the HBPA in a certain account.
- (3) Clarify that in regards to undistributed monies at a race meeting, until all monies have been distributed, the HBPA or certain groups shall be deemed to hold a security interest in funds not yet distributed. Add that following remittance to the HBPA, money not distributed shall be held in trust. Add that a licensee shall have a fiduciary duty to HBPA until monies are remitted to HBPA, and then the licensee shall no longer have a fiduciary duty. Add that the account containing the monies remitted to the HBPA is subject to legislative audit.
- (4) Clarify that the licensed eligible facility shall transfer to the HBPA a fixed percentage of certain proceeds.
- (5) Clarify that in regards to slot machine proceeds, all purse supplements shall be held in trust for the benefit of HBPA until distributed or transferred to HBPA. Add that supplements transferred but not distributed shall be held in trust until distributed. Add that a licensee shall have fiduciary duty to the HBPA to account for only purse supplements in its control and that once the licensee transfers the supplements to the HBPA, it shall have no fiduciary duty to HBPA or certain groups. Add that such an account containing purse supplements transferred to HBPA shall be subject to legislative audit.
- (6) Add that in regards to video draw poker device revenue, the HBPA shall have a fiduciary duty to certain groups that receive purse supplement and that the account containing such purse supplements shall be subject to legislative audits. Add that the licensee shall have no fiduciary duty to the HBPA or certain groups that received purse supplements.

Representative Davis offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Edwin Fenasci, Louisiana Horseman, 1535 Gentilly Blvd., New Orleans, LA 70119, (504) 945-1555, spoke in support of Senate Bill No. 173.

Representative Pressly offered a motion to report Senate Bill No. 173 with amendments. Without objection, Senate Bill No. 173 was reported with amendments by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Witness cards submitted by individuals who did not speak are as follows: 2 in support. Witness cards are included in the committee records.

Senate Bill No. 144 by Senator Cortez

Senator Cortez presented Senate Bill No. 144, which provides relative to horse racing.

Representative Pressly offered a motion to report Senate Bill No. 144 favorably. Without objection, Senate Bill No. 144 was reported favorably by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Witness cards submitted by individuals who did not speak are as follows: 3 in support. Witness cards are included in the committee records,

Senate Bill No. 214 by Senator McMath

Senator McMath presented Senate Bill No. 214, which creates the office of port development within the Department of Economic Development and creates a port development advisory committee.

Representative Davis offered a motion to voluntarily defer action on Senate Bill No. 214. Without objection, action on Senate Bill No. 214 was voluntarily deferred by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Senate Bill No. 185 by Senator Reese

Senator Reese presented Senate Bill No. 185, which provides relative to the licensing and regulation of virtual businesses.

Representative Davis offered amendments to make technical changes. Representative Davis offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays. Representatives Davis, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Representative Davis offered amendments to:

- (1) Delete the definitions of the terms "coin" and "token".
- (2) Amend the definition of the term "mining".
- (3) Define the terms "minting" and "non-fungible token".
- (4) Add that virtual currency business activity shall not include mining, minting non-fungible tokens, or certain blockchain activities.
- (5) Make technical changes.

Representative Davis offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Scott Jolly, Office of Financial Institution (OFI), 8600 United Plaza Blvd., Baton Rouge, LA 70809, (225) 925-4660, spoke for information only for Senate Bill No. 185.

Michelle Jeansonne, OFI, 8660 United Plaza Blvd., Baton Rouge, LA 70809, (225) 925-4660, spoke for information only on Senate Bill No. 185.

Eric Peterson, Satoshi Action Fund, 1933 S. Lopez St., New Orleans, LA 70125, no phone number provided, eric@satoshiaction.org, spoke for information only on Senate Bill No. 185.

Representative Davis offered a motion to report Senate Bill No. 185 with amendments. Without objection, Senate Bill No. 185 was reported with amendments by a vote of 11 yeas and 0 nays. Representatives Davis, Brown, Goudeau, Jordan, LaFleur, McKnight, Newell, Pressly, St. Blanc, Tarver, and Thomas voted yea.

Witness cards submitted by individuals who did not peak are as follows: 1 in support and 1 for information only. Witness cards are included in the committee records.

IV. OTHER BUSINESS

Discussion regarding the authority of the Louisiana State Uniform Construction Code Council and implementation of the American Society of Civil Engineers Freeboard

Discussion regarding the authority of the Louisiana State Uniform Construction Code Council (LSUCCC) to promulgate and enforce future rules relative to the energy codes in accordance with the Administrative Procedure Act, R.S. 49:961 et seq, and discussion regarding implementation of

the American Society of Civil Engineers (ASCE) freeboard standards as recommended by the ASCE-24 Freeboard Task Force and adopted by the LA State Uniform Construction Code Council.

Meg Bankston, Parish Presidents of Louisiana, 8181 Independence Blvd, Baton Rouge, LA 70806, (504) 909-8856, spoke for information only. She explained LSUCC's promulgation and enforcement rules relative to the energy codes in accordance with the Administrative Procedure Act, R.S. 49:961 et seq. and updated the committee on the current changes.

Rich Foster, City of Denham Springs, 116 N. Range Ave., Denham Springs, LA 70726, (225) 667-8326, spoke for information only. Mr. Foster advised that if the freeboard goes through, it will take effect on August 1, 2023, and that all new construction or substantial improvement to structures will have to meet the ASCE-24.

Representative Davis asked if freeboard could be explained or defined for the members that were not present in the previous meeting. Rich Foster explained that floodplain ordinances or special flood hazardous areas for jurisdictions, such as Denham Springs, has a 75-80 percent special flood hazard area. A (Flood Insurance Rate Map) FIRM map is used to explain what the required elevation base level is based on the 100 year or 1% flood on any given day. A foot above the base flood elevation is what is being reviewed for freeboard which is discussed in the ASEC-24.

Nicolas LeBlanc, Parish President Association, 15485 W. Club Deluxe Rd., Hammond, LA 70403, (985) 542-2117, spoke for information only. He explained that freeboard is an additional height above FEMA minimum standard.

Representative Davis asked if the LSUCCC has been reviewing the Administrative Procedure Act process for the past year. Meg Bankston confirmed that they have and stated that all parish presidents and local government agencies would like to see the freeboard at a local level.

Representative Newell asked the panel to define "fill". Rick Foster explained that a house or lot which is at base level is filled with dirt after a contractor comes and pulls up the grass from the lot. He further explained that the contractor has to get the lot to a certain level of elevation depending on the jurisdiction. Representative Newell asked if the cost of adding fill for elevation be offset with lowering insurance rates. Meg Bankston explained that it would not.

Representative Davis asked what was the current code for elevation. Mr. Leblanc stated that at present, there is no current code statewide. He also stated that on August 1, 2023, the code that will take effect is one foot for general construction and at least two feet of elevation for critical construction.

Representative Thomas asked if a parish has the option to not adopt the freeboard rule. Ms. Bankston explained that when the rule goes into effect, the parish government has to adopt the freeboard because it is a uniform rule.

Representative Davis stated that the committee would not be taking any action because the process has not been completed and the meeting was not in oversight. She further stated that the discussion is for information only so that the committee is being updated and aware of what the parishes are dealing with.

Representative Thomas asked if the rule was retroactive or only for new construction. Mr. Leblanc explained that it is for both new construction and construction deemed to be substantially damaged. Representative Thomas asked what happens to the homes that are not damaged. Mr. Leblanc explained that the regulation will not apply.

Mark Joiner, LSUCCC, 131 Napoleon Rd., West Monroe, LA 71291, spoke for information only.

Representative Davis asked if the changes to the international building code committee was causing current issues. Mr. Joiner answered no and stated that they have always been under the international building code. Mr. Joiner also stated that he had testified before the commerce committee in 2005 to create the statewide uniform construction code. A task force was created and had several meetings. The task force meetings were published on the website, and over 900 emails were sent to different organizations with the agenda for the meetings. Representative Davis asked what spurred the need to make changes. Mr. Leblanc replied that the international building code was adopted in 2021 and freeboard was in the code. In 2018, it was left to the locals and LSUCC felt that the locals were doing a good job. FEMA wanted to adopt the ASEC-24. The legislature felt it was best to continue to have the locals proceed with their own decision making. When it came back around, there was a big push from FEMA and insurance companies to make freeboard a statewide requirement. It was stated in a testimony during a task force meeting that 70% already had freeboard, and 30% had no floodplain management. FEMA came forward with proof that 75% of homes being built already had the freeboard requirement.

Representative Davis asked what precipitated the freeboard change in 2022. Mr. Leblanc replied that after hearing all of the testimonies and the Governor sent a representative on his behalf to present a written statement requesting freeboard becoming statewide. He continues to provide information in regards to the task force meeting and information witness stated in their testimony.

Cindy O'Neal, National Flood Insurance Program (NFIP), 20250 Gardens Ct., Walker, LA 70785, (225) 347-3131, spoke for information only and provided information about communities that participated in the NFIP. Ms. O'Neal stated that in order for the citizens of that community to be able to purchase, they agreed to adopt and enforce flood damage prevention ordinances. She also stated that if freeboard had been in place, 50% of the homes that flooded would not have flooded.

Carol Friedland, Louisiana State University Agriculture Center Louisiana Resource, 3622 Gourrier Ave., Baton Rouge, LA 70820, (225) 578-4440, spoke for information only and explained the difference between the NFIP, the building code, and Louisiana present law.

Debbie Henton, Police Jury Association of Louisiana, 707 N. Seventh St., Baton Rouge, LA 70802, (225) 343-2835, spoke for information only. She explained that there might have been a disconnection with the committee's understanding of freeboard and the Community Rating System and further explained both and how they are connected.

Representative Davis stated that the board is clear and if there are any other questions or witnesses that wish to testify. There were no additional questions or witnesses.

Witness cards submitted by individuals who did not speak are as follows: 2 for information only. Witness cards are included in the committee records.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

Representative Pressly offered a motion to adjourn. Without objection, the motion passed by a vote of 10 yeas and 0 nays. Representatives Davis, Brown, Cox, Fisher, Goudeau, McKnight, Pressly, St. Blanc, Tarver, and Thomas voted yea.

The meeting was adjourned at 11:26 a.m.

Respectfully submitted,

Chairman Paula P. Davis
House Committee on Commerce

Date adopted: