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# Executive Orders

## EXECUTIVE ORDER DCT 83-3

WHEREAS, by virtue of Executive Order No. 82-14 issued on June 3, 1982, I have created a Governor's Commission on Medical Malpractice to study problems related to medical review panel procedures in order to assure the adequate protection of all medical patients; and

WHEREAS, it is vital to the mission of the commission that it have sufficient time to study relevant information regarding the critical problem of medical malpractice insurance;

NOW, THEREFORE, I, DAVID C. TREEN, Governor of the State of Louisiana, by virtue of the authority vested in me by the Constitution and applicable statutes of the State of Louisiana, do hereby amend Executive Order No. 82-14 to provide that said commission shall make proposals for legislation to the Governor prior to the fifteenth day of April of 1983.

IN WITNESS WHEREOF, I have hereunto set my hand officially and caused to be affixed the Great Seal of the State of Louisiana, at the Capitol, in the City of Baton Rouge, on this the 21st day of February, A.D., 1983.

David C. Treen  
Governor of Louisiana

# Emergency Rules

## DECLARATION OF EMERGENCY

### Department of Commerce Office of Financial Institutions

Under the authority granted by R.S. 6:902B, the Commissioner of Financial Institutions hereby adopts the following Rule, effective March 7, 1983, for the purpose of establishing a means by which State Chartered Savings and Loan Associations may acquire the savings accounts and liabilities of a savings and loan association that is being liquidated by the Federal Savings and Loan Insurance Corporation, and to give the Commissioner of Financial Institutions authority consistent with that granted the Federal Savings and Loan Insurance Corporation by Federal Savings and Loan Insurance Rules and Regulations 563.22 and the National Housing Act, Section 406.

### RULE

Notwithstanding limitations imposed by Chapter 9, Title 6, Louisiana Revised Statutes, a State Chartered Savings and Loan Association may agree to acquire the savings liability of another

association in accordance with the following Rule:

(a) Definitions: when used in this Rule, "Savings liability" shall mean the aggregate amount of savings accounts or shares of members, including earnings credited to such accounts, less redemptions and withdrawals.

(b) An association, by a two-thirds vote of its board of directors, shall approve a plan to assume liability to pay savings or the liabilities of, transfer assets in consideration of the assumption of liabilities for any portion of the savings accounts, deposits made in, or other liabilities of such association to, or acquire the assets of or assume liability to pay any liabilities of any state or federally chartered association. The agreement shall state that it is effective only when approved by the Commissioner of Financial Institutions, State of Louisiana, and the Federal Home Loan Bank Board and shall specify (1) the location of its home office and branch offices; (2) the location and name of any disappearing main offices and branches; (3) the basis on which its savings accounts will be issued; (4) the location of savings accounts relocated due to main office of branch office closure; and (5) list all savings accounts of the disappearing association(s) that are in excess of the Federal Savings and Loan Insurance limit.

(c) Notwithstanding any other provision of this Rule, the Commissioner may require that the plan be submitted to the voting members of the acquiring association at a duly called meeting and that the plan, to be effective, be approved by them.

This Emergency Rule was necessary in order to allow the immediate transition of the savings liabilities of a savings and loan association that is being liquidated by the Federal Savings and Loan Insurance Corporation into a viable, solvent association. This action was taken in accordance with the emergency provision of the Administrative Procedure Act.

Hunter O. Wagner, Jr.  
Commissioner

## DECLARATION OF EMERGENCY

### Board of Elementary and Secondary Education

The State Board of Elementary and Secondary Education, at its meeting of February 24, 1983, exercised those powers conferred by the emergency provisions of the Administrative Procedure Act R.S. 49:953B and adopted the following as Emergency Rule:

Bulletin 1625, *Statewide Inservice Regulations 1983-84 - Act 36*.

This emergency adoption is necessary because those school systems which opt to participate in the Act 36 Statewide Inservice Education program must have the Regulations in order to make their inservice education plans prior to the established deadline. Since school personnel from over the parishes are involved in planning the statewide inservice education program for teachers, sufficient time must be allowed for these persons to meet and plan their programs prior to submitting their plans to the Department of Education by the June 15 deadline.

James V. Soileau  
Executive Director

## DECLARATION OF EMERGENCY

### Louisiana Commission on Law Enforcement and Administration of Criminal Justice and the Department of Public Safety Highway Safety Commission

The Louisiana Commission on Law Enforcement and Administration of Criminal Justice and the Department of Public Safety, Highway Safety Commission, have exercised those powers conferred by the emergency provision of the Administrative Procedure Act, R.S. 49:953B and promulgated the following Rules. This action has been taken for the reason that, in the 1982 Regular Session of the Legislature, R.S. 14:98(B), (C), (D) was amended and reenacted and a new subsection (G) was enacted, relative to the crime of operating a vehicle while intoxicated and to provide for certain penalties (Act 14). These mandatory requirements became effective January 1, 1983. Act 14 specifically states that convicted DWI offenders must serve ten days in jail or, if sentence is suspended, two days in jail and four days community work release, with appropriate screening and schools.

Because this Act placed an additional financial burden on local governments and because many DWI offenders are not being adjudicated, the Louisiana Legislature, in Special Session in January of 1983, established the DWI Law Enforcement Fund (R.S. 48:1258) to assist local governments.

The Emergency Rules provide for the expedient disbursement of the \$2 million DWI Law Enforcement Fund and will allow local governments and local law enforcement agencies to more effectively combat the drinking drivers who continue to kill and maim Louisiana citizens.

1. Only local governmental or local law enforcement agencies may apply for DWI enforcement fund money. A private, non-profit or related organization does not meet eligibility requirements unless included in a proposal from a local government or local police agency.

2. Proposals for grant funding will be accepted only when presented on the prescribed DWI enforcement fund form available upon request from the Governor's Office, Louisiana Commission on Law Enforcement and Administration of Criminal Justice or the Louisiana Highway Safety Commission.

3. Any local governmental agency or local law enforcement agency requesting aid is required to submit identical proposals (with original signatures) to each of the following addresses:

- A. Office of the Governor  
P. O. Box 44004  
Baton Rouge, LA 70804
- B. Louisiana Commission on Law Enforcement and Administration of Criminal Justice  
1885 Wooddale Boulevard  
Baton Rouge, LA 70806
- C. Louisiana Highway Safety Commission  
P. O. Box 44061  
Baton Rouge, LA 70804

4. R.S. 48:1358 establishes the following six categories as eligible for grant funding:

- A. Enforcement personnel and equipment;
- B. Prosecution;
- C. Supervision of work release programs;
- D. Probation supervision;
- E. Acquisition and operation of incarceration facilities; and
- F. Alcohol and substance abuse programs.

A proposal for grant funds may include one or more of the above categories.

5. The Louisiana Commission on Law Enforcement and Administration of Criminal Justice and the Louisiana Highway

Safety Commission shall prioritize requests using the following criteria:

- A. Acquisition and operation of incarceration facilities and supervision of work release programs;
- B. Probation supervision;
- C. Enforcement personnel and equipment;
- D. Prosecution;
- E. Alcohol and substance abuse programs.

6. Patrol vehicles (cars) will not be considered eligible items for funding. Purchases of large pieces of equipment or items will be reviewed on an individual basis.

7. The Louisiana Commission on Law Enforcement and Administration of Criminal Justice and the Louisiana Highway Safety Commission shall review applications and make recommendations for funding to the Governor within 30 days after receipt of the proposal. At the expiration of at least 45 days after receipt of request the Governor may make a grant to the requesting local governmental or local law enforcement agency.

8. R.S. 48:1358 states that the Governor may require such reporting measures as he deems advisable to insure that funds allocated are expended in accordance with the intent of the Legislature and the provisions of Section B of 48:1358 compliance measures are as follows:

A. Quarterly progress reports shall be submitted during the term of the contract to include funds expended by category, items purchased plus support documentation (purchase orders), hours worked, and supplies.

B. Only those items listed in the approved application will be purchased. However, if it is necessary to make a change, a written amendment must be submitted to the two Commissions and approved prior to making the purchase.

C. A maximum of five percent fluctuation in any cost category is authorized provided complete justification is included in the next quarterly report.

D. Legible copies of all support documentation must accompany any report of expenditures. A separate file must be maintained on all project activities and documentation for audit purposes according to state law.

9. The two Commissions may monitor grant projects as deemed necessary.

10. All monies not expended at the end of the grant period shall be returned to the state.

Elmer B. Litchfield  
Executive Director  
Commission of Law  
Enforcement and  
Administration of  
Criminal Justice

Stephen M. Young  
Executive Director  
Highway Safety  
Commission

## Rules

### RULE

#### Department of Agriculture State Entomologist

Notice is hereby given that the Department of Agriculture, State Entomologist, under the authority granted in LSA 3:1655 and in accordance with Notice of Intent published on June 20, 1982, has adopted the following Rule relative to inspection fees for nurseries and greenhouses:

Fees shall be levied for the inspection of nursery stock

grown or propagated for sale or distribution as follows:

a. \$25 for nurseries with acreage of more than 2,500 square feet and/or greenhouse space of more than 200 square feet.

b. \$5 for nurseries with acreage of 2,500 square feet or less and/or greenhouse space of 200 square feet or less.

The above fees will be pro-rated for the period July 1, 1982, through January 31, 1983. The following pro-rated portion of the annual fee will be due for the period July 1, 1982, through January 31, 1983:

a. \$14.50 for nurseries with acreage of more than 2,500 square feet and/or greenhouse space of more than 200 square feet.

b. \$3 for nurseries with acreage of 2,500 square feet or less and/or greenhouse space of 200 square feet or less.

Thereafter, the total fees of \$25 and \$5, as above stated, shall be payable for each annual period beginning on February 1 and ending on January 31.

All monies derived from the collection of said fees shall be deposited in a special fund and used to help defray the expenses incurred for salaries for inspecting said nursery stock.

Bob Odom  
Commissioner

## **RULE**

### **Department of Commerce Office of Financial Institutions**

The Commissioner of Financial Institutions has adopted the following Rules and Regulations, to be effective March 20, 1983.

#### **STATE LICENSING OF QUALIFIED SMALL BUSINESS FINANCING COMPANIES**

##### **Rule 1. Purpose**

It is the purpose of these Rules and Regulations to provide procedures for the equitable and efficient licensing of qualified small business financing companies and the monitoring of same in order to establish the continued eligibility of said companies to participate in the equity leveraging program provided for in R.S. 33:9081-9092 and R.S. 33:9061-9072, respectively. These Rules and Regulations implement specifically: R.S. 33:9068 governing state licenses, authority, and application procedures; R.S. 33:9070, governing prohibited and restricted activities, conflicts of interest, and penalties; and R.S. 33:9071, governing reporting and recordkeeping.

##### **Rule 2. Definitions**

(1) CDC "Community Development Corporation" means a community-based non profit corporation organized under the general laws of the state to carry out certain community services, and funded as such by the Community Services Administration or other federal agencies of the United States.

(2) "Commissioner" shall mean the Commissioner of Financial Institutions, State of Louisiana.

(3) "Development Company" means an enterprise incorporated under the laws of the state, formed for the purpose of furthering the economic development of its community and environs, and with authority to promote and assist the growth and development of small business concerns in the areas covered by their operations. Such corporation may be organized either as a profit or non profit enterprise.

(4) "Leverage" shall mean federal leverage, private leverage, public leverage, and state leverage.

(5) MESBIC "Minority Enterprise Small Business Investment Corporation" means a corporation, organized under the general laws of the state, to provide capital to minority small business and licensed according to applicable federal laws and regulations.

(6) "Qualified Small Business Financing Company" shall mean either a corporation, or a limited partnership organized pursuant to federal regulations, and in conformity with R.S. 33:9082, et seq, to which a federal license or a state chartered, or authorization has been granted to operate as a SBIC, MESBIC, CDC, or Development Company.

(7) SBIC "Small Business Investment Corporation" means a corporation organized under the general laws of the state to provide capital to small businesses and licensed according to applicable federal laws and regulations.

(8) "Small Business Financing Companies" shall mean a company organized under the general laws of the state to provide capital to small businesses and licensed according to applicable federal and state laws and regulations.

##### **Rule 3. Procedures for Preparing and Filing Applications**

3.1. Any qualified small business financing company may apply to the Commissioner of Financial Institutions for a state license establishing the eligibility of said company to participate in the equity leveraging program provided for in R.S. 33:9081-9092 and R.S. 33:9061-9072, respectively.

3.2. The application for such a license by a qualified small business financing company shall be forwarded to the Commissioner of Financial Institutions on OFI Forms 2, beginning on March 20, 1983. Two signed copies of the application (including exhibits and all other accompanying papers and documents) shall be filed with the Commissioner of Financial Institutions, Post Office Box 44095, Capitol Station, Baton Rouge, LA 70804, or 5420 Corporate Boulevard, Suite 207, Baton Rouge, LA 70808, as per the instructions accompanying OFI Form 2, hereinbelow provided. A notice of receipt shall be mailed or otherwise delivered to the applicant as soon as practical upon receipt by the Commissioner.

3.3. Application forms with accompanying instructions, copies of these Rules and Regulations, the Rules and Regulations of the Louisiana Small Business Equity Corporation, and the authorizing legislation provided for in R.S. 33:9081-9092 and R.S. 33:9061-9072 may be obtained in person at 5420 Corporate Boulevard, Suite 207, Baton Rouge, LA, or by letter of request mailed to: Commissioner of Financial Institutions, Post Office Box 44095, Capitol Station, Baton Rouge, LA 70804.

3.4. Each application shall be accompanied by a certified or bank cashier's check in the amount of \$500, payable to "Commissioner of Financial Institutions," as an examination and filing fee. In the event the application is denied, the \$500 examination and filing fee is non-refundable.

3.5. The application shall also be accompanied by a certified copy of a resolution or resolutions of the Board of Directors of such applicant (and of any corporation partnership or person controlling such applicant) specifically authorizing the person or persons signing the application and any consent on behalf of the applicant to sign and file the same.

3.6. If amendments are required to be made to the application either by request of the Commissioner or the applicant, one copy of each amendment shall be filed with the Commissioner by the applicant promptly upon the occurrence of the event necessitating such amendment. The applicant shall be responsible for accuracy of the application and any and all changes of facts, circumstances or certification of information contained in the original application shall be promptly amended before final review and determination by the Commissioner as to the award of a license.

3.7. Any application or any amendment or exhibit thereto may be withdrawn by the applicant upon written request to the Commissioner. The request shall be signed and shall state the grounds upon which made. The request shall be deemed granted seven days after receipt by the Commissioner, unless he shall order conditions to the acceptance thereof, in which event withdrawal will be effective upon written notice to him of compliance therewith. If an application is withdrawn, the examination and filing fee paid upon filing the application will not be returned. The papers comprising any withdrawn application or amendment or exhibit thereto shall not be removed from the files of the Commissioner, but shall be retained therein.

3.8. All persons signing an application shall be deemed, in the absence of a statement to the contrary, to possess the following powers:

- (a) to amend the application; or
- (b) to request the withdrawal of an application, or amendment or an exhibit.

3.9. An application filed in compliance with these Rules may be accompanied by a request that the Commissioner transmit a decision on the application without first conducting a detailed investigation or holding a hearing. The Commissioner may upon his discretion after consultation with applicable federal agencies and after review of the application and documents contained therein, deem that no detailed investigation is required. However, in the event that an application is denied, and applicant desires to protest the denial or requests an investigation or hearing, he shall promptly file a surety bond issued by a bonding company licensed to do business in the State of Louisiana, in the principal amount of \$5,000 (or such lesser amount as the Commissioner may permit upon request) conditioned to provide for payments of the costs of any investigation or hearing with respect to the application.

#### Rule 4. Application and Instructions

Application for a license to operate a Small Business Financing Company shall be made on OFI Forms 2 and 2A according to instructions contained therein and OFI Form 2B. Copies of these forms and instructions may be obtained in person or by mail at the address referred to in Rule 3.3 above.

#### Rule 5. Review of License Application

5.1. In his review of said application for license, and any amendments made thereto, the Commissioner of Financial Institutions shall ascertain and shall certify in writing the following:

- (a) That the applicant company is, in fact, a holder of a valid license, authorization, or charter to operate as a qualified small business financing company within the State of Louisiana;
- (b) That the applicant company is currently in compliance with all applicable federal and state regulations governing or affecting the operation of said companies;
- (c) That the applicant company has the required capital to participate in the equity leverage program, or, in the case of an applicant company proposing to receive state leverage funds, conditional upon its own promise of first having secured or increased its own private paid-in capital, the financial capacity to raise such capital;
- (d) That the applicant company has and shall maintain a qualified and competent board of directors and management to assure the continued proper operation of the company;
- (e) That the proposed or actual board members and management of the applicant company are fully conversant with the legislative intent of R.S. 33:9081-9092 and R.S. 33:9061-9072 respectively, the purposes of such legislation, and the Rules and Regulations promulgated by the Commissioner of Financial Institutions and the Louisiana Small Business Equity Corporation with respect to said legislation and are fully committed to carry out the letter and spirit of same;

(f) That the applicant company has made public notice in a newspaper of general circulation in the proposed area of operation at least one week following the filing of the application in the manner prescribed in OFI Form 2 and OFI Form 2B; and

(g) That the applicant company has or shall have and shall maintain a reasonably accessible office, which will display the license, and the name of the Licensee, have a listed telephone number, and be open to the public during regular business hours.

5.2. After receipt and due consideration of the application, the Commissioner of Financial Institutions shall approve or deny the application and shall notify the applicant of such action. If the application is approved, notice of such approval, together with a copy of the license shall be transmitted to the Louisiana Small Business Equity Corporation and the licensee may apply to said corporation for financial assistance in accordance with the provisions of R.S. 33:9081-9092 and the Rules and Regulations of the Corporation. If, however, the application for license is denied by the Commissioner, he must specify in writing the reasons for such denial and shall forward same to the applicant. Included among the bases for such denial may be findings to the effect that:

(a) The applicant is not a qualified small business financing concern under R.S. 33:9081-9092.

(b) The applicant is in the process of having its license, charter, or authorization revoked or is in litigation or in some other process affecting its further solvency or its status as a licensee or

(c) The board or management of the applicant does not possess, in the judgment of the Commissioner, sufficient competence to manage properly and prudently the funds potentially provided to it under the provisions of R.S. 33:9081-9092.

(d) The applicant has not demonstrated that it is fully conversant with the legislative intent of R.S. 33:9081-9092, and with the regulations developed pursuant to it, or that it is fully committed to carry out the letter and spirit of said regulations.

#### Rule 6. Continued Review of the Operations of the State Licensee

6.1. The Commissioner of Financial Institutions shall retain the authority to periodically review the operations of any state licensee, upon his own initiation or upon request of the Louisiana Small Business Equity Corporation. Such reviews shall attempt to ascertain information relevant to the bases for denial, hereinabove described, as well as any other information deemed relevant to the sound management and intended use of the funds provided for by R.S. 33:9081-9092.

Based upon the results of such periodic review, the Commissioner of Financial Institutions shall retain the right to:

- (a) Continue the license status of the licensed small business financing company.
- (b) Outline those corrective steps which must be taken by the licensed small business financing company in order to retain that license.
- (c) Revoke the state license of the small business financing company.

In the event that the outlined corrective steps are not taken, or the license of a small business financing company is revoked, all funds which the licensee has received under the provisions of R.S. 33:9081-9092 shall be immediately due and payable, except that where a senior lender such as the Small Business Administration has provided additional leverage to the licensee, executive action to collect such funds shall not be taken without prior consultation with, and full regard for the rights of priority of, such senior lenders.

6.2. Every licensee shall provide a copy of the quarterly report required under R.S. 33:9071 to the Commissioner at the same time as such report is provided to the Louisiana Small Business Equity Corporation.

6.3. Every licensee shall maintain current financial records and books of account in accordance with accepted accounting

standards. The Commissioner shall be furnished a copy of financial reports at the same time and with the same regularity as these are prepared for management, stockholders, partners, or other regulating agencies, but not less than once annually, together with accompanying independent public accountant's certificates.

6.4. The Commissioner may inspect the records of any licensee during normal business hours, and may charge reasonable inspection fees. In the event of discrepancies or other related cause, the Commissioner may cause the books of the licensees to be audited at the licensee's expense.

Rule 7. Transfer and Surrender of Licenses

7.1. A state license issued pursuant to these Rules and Regulations shall not be transferred in any manner without prior written approval by the Commissioner of Financial Institutions. A state license shall not be surrendered without prior approval by the Commissioner.

Rule 8. Coordination

8.1. The Commissioner of Financial Institutions shall take such steps as may be necessary and appropriate to coordinate and cooperate with the Louisiana Small Business Equity Corporation, federal agencies and departments, state agencies and departments, local governmental agencies and departments, private sector organizations and small businesses in order to assure that the purposes of R.S. 33:9081-9092 and R.S. 33:9061-9072 are met to the fullest extent possible.

Hunter O. Wagner, Jr.  
Commissioner of Financial Institutions

OFFICE OF FINANCIAL INSTITUTIONS  
QUALIFIED SMALL BUSINESS FINANCING COMPANY

License Application

Date of Application \_\_\_\_\_

Item 1. Name of Applicant

\_\_\_\_\_  
\_\_\_\_\_

(Note: Small Business Financing Company includes, but is not limited to Community Development Corporations (non-profit), State Development Companies, Local Development Companies, Minority Enterprise Small Investment Corporations, and a qualified small business financing company.)

Item 2. Location of Applicant

Street and No. \_\_\_\_\_

City and State \_\_\_\_\_

Parish \_\_\_\_\_

Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

Item 3. Type of Company

a) Investment

Small Business Investment Company

Minority Enterprise Small Business Investment Corporation

b) Development

Certified Development Company

Community Development Company

Other

Specify:

Item 4. Type of Authorization for Application: (copy must be attached)

a) Federal License

b) Charter filed with Secretary of State, State of Louisiana

c) Certificate of Authority granted by a Federal Agency  ;

State Agency  ; Other Municipality or Political Subdivision

d) Other  Explain:

Item 5. Capitalization

a) Corporation <sup>(1)</sup>

Number of fully paid shares @ \_\_\_\_\_ = \_\_\_\_\_

Undivided profits \_\_\_\_\_

Other net worth or equity accounts \_\_\_\_\_

Less organizational expense (newly chartered) ( \_\_\_\_\_ )

TOTAL NET WORTH \_\_\_\_\_

(1) If other than newly chartered, 3 years of financial and operating statements must be attached. Newly chartered must have pro-forma statements.

b) Partnership <sup>(2)</sup>

Number of partners @ \_\_\_\_\_ contribution \_\_\_\_\_

Less organizational expense (new) ( \_\_\_\_\_ )

NET CONTRIBUTION \_\_\_\_\_

(2) 3 years of financial and operating statements or pro-forma statements must accompany application.

c) Non-profit Corporation <sup>(3)</sup>

Assets \_\_\_\_\_

Liabilities \_\_\_\_\_

(3) 3 years of financial and operating statements or pro-forma statements must be attached.

d) Other

Explain:

Item 6. What will be the source of the required "Louisiana Fund" investment in order that state leverage funds may be received?

a) Existing net worth or equity

b) Additional paid-in capital

(1) Have the funds been paid-in?  Yes  No If no, when?

(2) Have commitments or pledges been obtained?  Yes  No

c) Partner Contribution

(1) Have contributions already been made?  Yes  No If no, when?

(2) Have commitments or pledges been obtained?  Yes  No

d) Borrowed money

(1) Lender: \_\_\_\_\_

(2) Amount: \_\_\_\_\_

(3) Terms of loan: \_\_\_\_\_

e) Other

Explain:

Item 7. In what geographical area will funds be utilized?

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Item 8. Need for licensee in operating area. (May attach the applicable portion of a SBA or other federal agency application if submitted in the last two years)

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Item 9. Plan of Operations

Give any affiliation between the Investment Advisor and any Associate of the applicant and state if Investment Advisor is connected in any way with any licensee.

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Give affiliation or association between any officer, director, or general manager or 10% owner of the applicant and any other licensee or the Investment Advisor of any other licensee.

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(Note: May submit the applicable portion of a SBA or other federal agency application if submitted in the last two years.)

Item 10. Management and Control

- a) List directors, how selected, length of present term, and percentage of ownership; or
- b) List partners and percentage of partnership.
- c) List all parties or entities that own or will own 10% or more of the outstanding stock that are not directors;
- d) List all officers and percentage of ownership.

Item 11. Articles

- a) A copy of the Articles of Incorporation; certified by the Secretary of State, shall be filed with OFI; or (Attachment No. \_\_\_\_\_)
- b) The partnership agreement provided if a partnership; or (Attachment No. \_\_\_\_\_)
- c) Applicable license or authorization and/or bylaws, operating procedures or whatever is used as operational guidelines must be furnished for all other applicants. (Attachment No. \_\_\_\_\_)

Item 12. Bylaws of Applicant (If not required in Item 11) (Attachment No. \_\_\_\_\_)

Item 13. Certified copies of minutes of the meeting of directors at which the present directors were elected. (Attachment No. \_\_\_\_\_)

Item 14. Certified copies of minutes of the meeting of directors at which the present corporate officers were appointed. (Attachment No. \_\_\_\_\_)

Item 15. Certified copies of a resolution of the Board of Directors authorizing the execution and submission of this license application. (Attachment No. \_\_\_\_\_)

Item 16. Name of bank or banks in which cash is or will be deposited and the name of the custodian of securities, if any. \_\_\_\_\_

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Item 17. Letter or letters addressed to OFI from bank(s) or custodian(s) to evidence cash or securities on deposit to the account of the applicant or in escrow and setting forth therein any encumbrances or restrictions against such deposits. (Attachment No. \_\_\_\_\_)

Item 18. Certified copy of SBA Certification Certificate. (Attachment No. \_\_\_\_\_)

Item 19. A written opinion of independent counsel for the applicant addressed to OFI stating that:

- a) The applicant has complied with all applicable local, state, and federal laws in the formation and organization of the company; (Attachment No. \_\_\_\_\_)
- b) The applicant, in selling its securities to obtain the required private capital, has complied with every law, regulation, and obligation relating to or controlling the sale of its securities and is and will be authorized and entitled to receive and retain the funds paid or to be paid to it by each entity in consideration for said securities issued or to be issued by the applicant. (Attachment No. \_\_\_\_\_)

Item 20. Names of persons assisting in preparation of this application.

- a) In connection with the preparation or presentation of this application, list the names, addresses, description of services, total compensation paid, or to be paid, of all attorneys, accountants, appraisers, agents, and all other parties engaged by or on behalf of the applicant for the purpose of rendering professional or other services of any nature whatever to the applicant. (Attachment No. \_\_\_\_\_)
- b) What is the source of payment for these expenditures? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Item 21. Projection of income and expenses

Provide a 3-year projection of income and expenses, taking into consideration SBA and LASBEC leverage and increases in private capital. (Attachment No. \_\_\_\_\_)

Item 22. Fiscal year-end: \_\_\_\_\_

Item 23. Declaration of Applicant

(Note: This declaration is to be executed by the Applicant Corporation, Corporate General Partner, or Development Company, and in their individual capacities by all officers and directors of the Applicant Corporation, CGP, or Company, either proposed or duly elected, and by all persons who own or intend to own, directly or indirectly, 10% or more of the voting securities of the Applicant Corporation or CGP.

- (a) We represent that the Licensee will be operated in full conformity with the Small Business Investment Act of 1958, as amended; the Small Business Administration Regulations pertaining thereto; and the Louisiana Small Business Investment Law of 1980.

(b) We have not and will not, directly or indirectly, use any funds advanced by any small business investment company to any small business concern, or use any funds available as a result of funds advanced by a small business investment company to a small business concern, to purchase any securities of the Licensee or for the purpose of repaying any obligation incurred in connection with the furnishing of funds to be used for the purchase of any securities of the Licensee.

(c) We hereby certify that all information submitted in this OFI Form 2 and in the exhibits submitted therewith, or in connection therewith, is true and correct to the best of the knowledge and belief of each one of us and that it is being submitted for the purpose of obtaining a license to operate as a small business financing company. We further agree that all statements made in this OFI Form 2 and in the said exhibits are to be considered material for the purpose of inducing OFI to issue a license in reliance on the said statements.

EXECUTION

\_\_\_\_\_  
(Name of Licensee)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name)

\_\_\_\_\_  
(Title)

ATTEST:

\_\_\_\_\_  
(Secretary) Dated this \_\_\_\_\_ Day of \_\_\_\_\_, 19\_\_\_\_

INDIVIDUAL EXECUTION

\_\_\_\_\_  
(Signature)

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APPLICATION PREPARER/CONTACT: \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Telephone)

OFFICE OF FINANCIAL INSTITUTIONS

STATEMENT OF PERSONAL HISTORY AND QUALIFICATION OF MANAGEMENT (1)

See Information and General Instructions, OFI Form 2B

Name of Applicant or Licensee

Address (Street, City, State and ZIP Code)

1. First Name in Full	Middle Name in Full (If none, so state)	Last
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2. Date of Birth (Month, day & year)	3. Place of Birth (City, State or Foreign Country)	4. Citizen of U. S.?  <input type="checkbox"/> Yes <input type="checkbox"/> No
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5. Relationship with Applicant

Director

Officer

10% share or stockholder

6. Starting with present address, list residence addresses for last ten years:

<u>From (Date)</u>	<u>To (Date)</u>	<u>Address</u>
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7. Employment and Professional History and Education: Attach a summary of business or professional experience during the last ten years up to and including the present, stating the periods of each primary activity, the names, addresses and nature of business of the firms, concerns or entities with which associated; title, position in such concerns; basic functions and responsibilities; and a summary of your education showing highest level attained (such as high school graduate, some college, one year college, three years college, bachelor's degree, master's degree, etc. - giving, when applicable, name of higher educational institution, your specialization, and date of degree), together with a summary of any special experience or qualification pertinent to the Applicant's management responsibilities.

8. Present Affiliations: Attach a list of all business concerns with which you are presently affiliated as an officer, director, or in any other official capacity, or by way of direct or indirect ownership or control of 10% or more of any class of stock of, or proprietary interest in, such concerns. Show names, addresses, and nature of business of such concerns, and details of relationship and ownership; including the percentage of any stock or proprietary interest owned.

9. List Three Character References: (Other than former employers, relatives or fellow Applicants.)

<u>Full Name</u>	<u>Home or Business Address</u>	<u>Business or Occupation</u>
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10. Have you ever been, directly or indirectly, the subject of an insolvency, bankruptcy, or creditor's rights proceeding, or has any corporation of which you have been an officer, director, or controlling shareholder, been the subject of such proceedings?  Yes  No (If yes, furnish complete details of such proceedings in a separate exhibit, including, if pertinent, the court, title of proceedings, date and docket number, as well as the ultimate disposition thereof.)

11. Have you ever been convicted of any criminal offense other than a misdemeanor involving minor motor vehicle violations?  Yes  No (If yes, furnish details as described in Item 10)

12. Have you, or has any corporation, partnership or other business entity with which you are presently or have heretofore been affiliated (as defined in Item 8, above), ever been convicted of a felony or other criminal offense involving dishonesty or breach of trust, or found civilly liable or permanently or temporarily enjoined by a court by reason of any act or practice involving fraud or breach of trust?  Yes  No (If yes, furnish relevant details of any such proceeding in a separate exhibit including the information, indictment or complaint and the court, title of proceeding, date and docket number)

13. Have you ever been refused bond?  Yes  No (If yes, explain)

14. Are you affiliated with any other Licensee or are you a close relative of any person affiliated with the Applicant or Licensee.  Yes  No (If yes, explain.)

15. During any part of the past five years has a request for financial assistance been made to any Federal or State agency by you or any corporation, partnership or other business entity with which you are presently or have been heretofore affiliated (as defined in Item 8, above)?  Yes  No (If yes, furnish details in a separate exhibit, including current status of any assistance received.)

16. Describe any affiliation, past or present, with any other Small Business Financing Company.

17. Is any LASBEC employee or any member of an Advisory Council for the Louisiana Small Business Equity Corporation related to you by blood, marriage or adoption? Does any LASBEC employee or member of any such Advisory Council have present or have they had any past, direct or indirect, financial interest in or affiliation with any concern of which you are a director, officer, or owner of 10% or more of any class of its stock or other proprietary interest?  Yes  No (If yes, list their names, addresses, and relationships on a separate attachment.)

18. If you own or will own 10% or more of the private capital of the Licensee, were borrowed funds used or will they be used in purchasing said private capital?  Yes  No (If yes, attach a statement, giving full details, including your net worth, amount borrowed or to be borrowed, source of funds borrowed or to be borrowed, security and/or guarantors and terms of repayment.)

19. Have you or any concern with which you are affiliated directly, or indirectly, borrowed funds from or sold securities to any licensed small business investment company?  Yes  No (If yes, attach a statement giving all pertinent details relative thereto, including the names of all parties to the transaction, the amounts involved, terms, use of proceeds, etc.)

) May attach the applicable portion of an SBA or other federal agency application if submitted in last two years.

The information on this form will be used in connection with an investigation of your experience and character.

The nature and scope of the investigation may include contact with banks, other financial institutions, individuals, business associates, law enforcement offices, and any areas which will assist OFI in making an adequate appraisal of your general business reputation, character, management experience and financial soundness. This constitutes the notifications required by section 606 of the Federal Fair Credit Reporting Act.

CERTIFICATE: I hereby certify that all information submitted in this Form 2A, and in the Exhibits submitted therewith or in connection therewith, is true and complete to the best of my knowledge and belief. I have read OFI Form 2 "License Application," filed by \_\_\_\_\_ and the amendments thereto, and hereby agree that in my proposed capacity as \_\_\_\_\_ (show affiliation) I will be bound by the representations made in said application and amendments.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

INFORMATION AND GENERAL INSTRUCTIONS

FOR LICENSE APPLICANTS

Under the Louisiana Small Business Investment  
Law of 1980, as Amended

A small business financing company means either a corporation, or a limited partnership organized pursuant to federal regulations, and in conformity with the Louisiana Small Business Investment Law of 1980, to which a federal license or a state charter, or authorization has been granted to operate as a SBIC, MESBIC, CDC, or development company. Such a company must comply with all applicable State and Federal laws affecting its operations, as well as all existing and future rules and regulations issued under the Small Business Investment Act of 1958, as amended and the Louisiana Small Business Investment Law of 1980, as amended.

Prospective applicants should be familiar with the Acts, Laws and Regulations referred to in the preceding paragraph.

OFI Form 2

OFI Form 2 "License Application" is to be prepared in duplicate and delivered to the Commissioner of Financial Institutions, Suite 207, 5420 Corporate Boulevard, Baton Rouge, Louisiana, 70808, or mailed to the Commissioner of Financial Institutions, P. O. Box 44095, Capitol Station, Baton Rouge, Louisiana, 70804. The license application must include a \$500.00 license processing fee, payable to the Commissioner of Financial Institutions. This fee is not returnable, even if the application is denied. Please complete all items which are applicable to the form of the applicant (corporation or limited partnership).

All exhibits accompanying the license application should be typed on good quality bond paper. The required duplicates may be a carbon copy, on good manifold paper, or it may be a copying machine reproduction. Each sheet of the exhibits must be identified at the top by a number reference to the related item, the caption designated for such item, the name of the license applicant, and the date of submission. Separate sheets must be used for each exhibit. If more than one sheet is necessary for an exhibit, such sheets must be stapled together at the top.

Before the Commissioner issues a license, he must receive from applicant's legal counsel a statement that all SEC and SBA rules and regulations have been complied with.

OFI Form 2A

OFI Form 2A "Statement of Personal History and Qualification of Management", is to be filed in duplicate when the License Application (OFI Form 2) is filed with the Commissioner. A Form 2A is required for each officer (including the general manager), director, and direct or indirect owner of 10% or more of the voting securities of the license applicant, as well as each officer, director and manager of the Corporate General Partner (CGP) of a limited partnership. If a corporation or entity other than a natural person owns or will own 10% or more, 2A's shall be filed by each stockholder or owner of such equity whose ownership of the Small Business Financing Company would by attribution, amount to 10% or more. In addition, the CGP or such corporation or entity shall file as an exhibit its own balance sheet as of a reasonably recent date prior to the filing.

Notice of Publication

After filing the application with the Commissioner, applicants shall publish public notice of such application in a newspaper of general circulation in the proposed area of operation for at least one week. The notice shall include the name and location of the proposed licensee, its areas of operation and the names and addresses of the officers, directors, and owners of ten or more percent of any class of stock, or the corporate general partner, and the corporate general partner's name and address, and each partner owning 10% or more of the unincorporated licensee's private capital.

Hunter O. Wagner  
Commissioner

## RULE

### Department of Commerce Louisiana Small Business Equity Corporation

The Louisiana Small Business Equity Corporation (LASBEC), Department of Commerce, does hereby adopt the following Rules and Regulations to be effective.

#### Rule 1. Purpose and Intent

It is the purpose of these Rules and Regulations to provide procedures for the effective implementation of the Louisiana Small Business Investment Law of 1980.

The Louisiana Small Business Investment Law of 1980 was authorized by Act 697 of the 1980 Regular Session of the Louisiana Legislature. On authority of Revised Statutes 24:253, the provisions of Act 697 were designated as Chapter 29 of Title 33 of the Louisiana Revised Statutes of 1950, containing Revised Statutes 33:9061 through 33:9072.

It is the purpose of said Law to stimulate the flow of private equity capital and long-term loans and other financial assistance for the sound financing of the development, expansion and retention of small business concerns in the state as a means of providing high levels of employment and income growth and expanded social and economic opportunities, especially to disadvantaged persons and within distressed areas. The Law will be implemented and administered by the Louisiana Small Business Equity Corporation pursuant to Chapter 30 of Title 33:9081 through 9092 of the Louisiana Revised Statutes of 1950.

It is the intent of the law to contribute to this purpose through the provision of equity leverage financing and other financial assistance to qualified small business financing companies and small business concerns. The law, therefore, shall be implemented in such a manner as to assure maximum federal, public and private leverage. It is the intent of the law to keep financial decision-making to the greatest extent possible in private hands and to keep state administrative costs as low as possible. It is also the intent of the law that the greatest possible portion of the funds authorized by the law be placed through licensees in small business growth concerns, which, in general, are those which contribute most directly to greater employment, productivity, and production of wealth in the state, as opposed to those small concerns whose growth potential is limited or whose market tends to be inelastic as a function of supply.

Exceptions to this policy are permitted to be made when the recipient small business concerns are either disadvantaged concerns or are firms locating in distressed areas as defined in the law or in state enterprise zones as authorized by R.S. 51:1788. In such cases, however, priority shall be given to disadvantaged or distressed area concerns which are also growth concerns or concerns located in state enterprise zones.

#### Rule 2. Definitions

When used in these Rules, unless the context otherwise requires, the following words will have the following meanings:

(1) "Associate of LASBEC" means any of the following:

(a) An officer, director, employee, or any person regularly serving LASBEC in the capacity of a paid investment adviser or attorney at law.

(b) Any close relative of any person described in Subparagraph (a) of this Paragraph.

(c) For the purpose of this definition, any person in any of the relationships described in Subparagraphs (a) and (b) of this Paragraph within six months before or after the date on which LASBEC provided licensee's assistance, shall be deemed to have been in such relationship as of the date of LASBEC's assistance.

(d) The term "associate of LASBEC" shall not include an

unpaid adviser of LASBEC, unless such an adviser is also involved in any of the relationships described under Subparagraphs (a) through (c) above.

(2) "Board" or "Board of Directors" means the governing board of LASBEC.

(3) "Candidate project" means a business idea to be developed in the form of a feasibility study, for promotion by a public or private body, there being a demonstrated need for the business but for which there exists at the time no entrepreneurial group with the technical expertise and financial capability which has committed to carry out the project.

(4) "Certified Development Company" means a development company organized to operate on a local, regional or statewide basis, as either a private nonprofit corporation or a for-profit stock corporation, to sell debentures pertaining to identifiable small concerns with SBA's guarantee, and to render other assistance to small businesses.

(5) "Close relative" means ancestor, lineal descendant, brother or sister and lineal descendants of either, spouse, father-in-law, mother-in-law, son-in-law, brother-in-law, daughter-in-law, or sister-in-law.

(6) "Community Development Corporation (CDC)" means a community-based, nonprofit corporation organized under the general laws of the state to carry out certain community services, and assisted as such by the Community Services Administration or one or another federal agencies of the United States.

(7) "Control" means the possession, direct or indirect, or the power to direct or cause the direction of the management and policies of a licensee or a small concern whether through the ownership of voting securities, by contract, or otherwise.

(8) "Cooperative Economic Development Corporation" means a nonprofit economic development corporation organized under the authority of R.S. 33:9020 et seq. to develop the economy of the state and local subdivisions thereof.

(9) "Corporation" means the Louisiana Small Business Equity Corporation (LASBEC).

(10) "Development company" means an enterprise incorporated under the laws of the state, formed for the purpose of furthering the economic development of its community and environs, and with authority to promote and assist the growth and development of small business concerns in the areas covered by their operations. Such corporation may be organized either as a profit or nonprofit enterprise. The term includes, but is not limited to, the following types of companies: certified development companies, community development corporations, cooperative economic development corporations, and EDA-assisted development companies and revolving funds.

(11) "Disadvantaged concern" means a small concern owned by a person or persons whose participation in the free enterprise system is hampered because of social or economic disadvantages.

(12) "Distressed area" means any subarea of a political subdivision, which has been traditionally recognized by custom or by previous governmental designation to be a subarea, and which possesses all of the following characteristics: a per capita income which is 80 percent or less of the median income of the political subdivision in which it is located; an unemployment rate which is six percent or higher and which is three percent higher than the average unemployment rate of the political subdivision taken as a whole; and a percentage of individuals and families in poverty that is ten percent or more of the entire subarea; all of which characteristics must be certified to by the political subdivision in which the subarea is located.

(13) "Feasibility studies" means studies which are directly and immediately relevant to the potential creation or expansion of

a small business concern. Such studies would include preliminary engineering and architectural plans, location studies, marketing studies, organizational plans, studies of the demand and supply of labor, water and sewerage, soil surveys and foundation studies, studies of competition, distribution, transportation, loan packaging, financial forecasts, taxes, fiscal and other incentives, and other related studies of the business environment, all of which studies are directed toward the practical and real establishment of a small business concern.

(14) "Federal leverage" means financial assistance provided to a qualified small business financing company by the Small Business Administration or by any other federal agency, such as through the purchase or guaranty of debt instruments, or through the purchase of preferred securities, or through the grant or loan of funds.

(15) "Headquarters/Headquartered" means, for purposes of this section, a location of a business having significant assets in Louisiana as determined by the Department of Commerce.

(16) "Investment company" means either a corporation, or a limited partnership, to which a license has been granted by SBA for the purpose of providing capital to small businesses. The term includes investment companies licensed by SBA pursuant to Section 301(c) or Section 301(d) of the Small Business Investment Act, 15 U.S.C. 661 et. seq., and 1940 Act Companies which have also been licensed in accordance with applicable federal law and regulations.

(17) "Joint economic committee" means a joint committee established or designated by the legislature to oversee the implementation of the LASBEC laws.

(18) "LASBEC" means the Louisiana Small Business Equity Corporation.

(19) "LASBEC laws" means R.S. 33:9061 through 9072, as amended, and R.S. 33:9081 through 9092, as amended.

(20) "Licensee" means state licensee.

(21) "Leverage" means federal leverage, private leverage, public leverage, and state leverage.

(22) "Long-term loans" means loans for a term of not less than five years nor more than 30 years, with due allowance for prepayment arrangements, as provided for in accordance with the provisions of the LASBEC laws and these Rules.

(23) "Louisiana business" means a business headquartered and operating in Louisiana.

(24) "Matching private capital" means that portion of the private capital of a state licensee used to match state leverage in a proportion never less than one-fourth of the cumulative total of state leverage funds.

(25) "Minority Enterprise Small Business Investment Company (MESBIC)" means either a corporation, or a limited partnership licensed pursuant to Section 301(d) of the Small Business Investment Act, 15 U.S.C. 661 et. seq., the investment policy of which is limited to making investments solely in small concerns which will contribute to a well-balanced national economy by facilitating ownership in such concerns by persons whose partnership in the free enterprise system is hampered because of social or economic disadvantage.

(26) "New product or service" means any product, device, technique, process, or service, which is or may be exploitable commercially, the production or provision of which does not exist in the state; such term shall not refer to pure research but shall be construed to apply to such products, devices, techniques, processes, or services, which have advanced beyond the theoretical stage and are readily capable of being, or have been reduced to practice.

(27) "Person" means a natural person or a legal entity.

(28) "Private capital" means the combined paid-in capital

and paid-in surplus or partnership capital of a qualified small business financing company, whether derived from a private or a public source, but exclusive of federal or state leverage, which capital is either cash or property actually received in exchange for shares of stock or partnership shares issued by the company, or cash and property contributed to the company without obligation therefor, or cash and property for which the licensee is indebted on a long-term subordinated basis.

(29) "Private leverage" means private financial assistance over and above that required under the provisions of the LASBEC laws to be matched with state leverage, and which is provided to a qualified small business financing company.

(30) "Public leverage" means public financial assistance over and above that which may be required, under the provisions of the LASBEC laws, to be matched with state leverage and which is provided to a qualified small business financing company.

(31) "Qualified financial institution" means any banking corporation or institution, insurance company, or related corporation or other institution engaged primarily in lending or investing funds, which corporation or institution has been selected by the corporation as an institution to which funds or guarantees are provided for the purpose of inducing said institutions to provide such financial assistance as is foreseen under the LASBEC laws to qualified small business financing companies in amounts at least equal to the total of such funds or guarantees so provided.

(32) "Qualified small business financing company" means either a corporation, or a limited partnership organized pursuant to federal regulations, and in conformity with the provisions of the LASBEC laws, to which a federal license or a state charter, or authorization has been granted to operate as an investment company, or a development company.

(33) "SBA" means the Small Business Administration.

(34) "SIC Codes" means the industrial classification system provided in the latest issue of the Standard Industrial Classification Manual, prepared by the Office of Management and Budget, and available from the U.S. Government Printing Office.

(35) "Small business concern" means a small business as defined by SBA, which for purposes of size eligibility or other factors, meets the applicable criteria set forth in 13 CFR 211, as amended.

(36) "Small business growth concern" means a small business concern which contributes most directly to greater employment, productivity, innovation, and the production of wealth in the state, as provided for in Section 9068 of the Louisiana Small Business Investment Law of 1980.

(37) "Small Business Investment Company (SBIC)" means an investment company organized to provide capital to small businesses and licensed according to applicable federal laws and regulations.

(38) "State leverage" means financial assistance provided to a state licensee, either directly or in cooperation with qualified financial institutions, either through the purchase or guarantee of debentures or other debt instruments, or through the grant or loan of funds, or through the purchase of equity securities as provided under the LASBEC laws.

(39) "State licensee" means a qualified small business financing company to which a state license has been granted pursuant to the provision of the LASBEC laws.

### Rule 3. Equity Leverage Financing Program

#### Rule 3.1 Licensing Requirement

Under the equity leverage financing program, the Louisiana Small Business Equity Corporation (LASBEC) may provide direct loans and guarantees of loans and investments to expand the capital resources of qualified small business financing companies. To be eligible for such assistance, such companies

must first obtain a state license from the Commissioner of Financial Institutions according to the procedures established under the Louisiana Small Business Investment Law of 1980 and under the Rules adopted by the Commissioner for the implementation of the licensing process.

Upon receipt of a state license from the Commissioner, a licensed qualified small business financing company, hereinafter to be referred to as a state licensee or licensee, may apply to LASBEC for financial assistance under this program in accordance with the procedures to be specified in these Rules.

#### Rule 3.2 Intent of Application/Proposal Procedures

It is the intent of LASBEC to establish a competitive application process through which the applications of the various licensees may be evaluated one against another in terms of LASBEC's policy priorities as specified in these Rules. The purpose of establishing such a competitive process is: (1) to be fair and equitable to all licensees; (2) to create a climate for creativity and efficiency; (3) to secure the best possible financial arrangements for LASBEC and the state; and (4) to establish the most effective mechanisms for stimulating the flow of private equity capital and long-term loans for the sound financing of small businesses throughout the state.

In accordance with the intent and purpose specified above, LASBEC shall develop and issue an Invitation for Application/Proposals to all state licensees. Said invitation shall contain:

- (1) A statement of the purpose and intent of LASBEC;
- (2) A copy of the regulations relating to the Equity Leverage Financing Program;
- (3) Instructions relative to the proposal;
- (4) The deadline for responding to the proposal; and
- (5) An application form for the application/proposal.

#### Rule 3.3 General Form of the Application/Proposal

The application/proposal form shall require each licensee to provide:

- (1) A brief history of the licensee;
- (2) A list of the number, type and dollar amount of financings which the licensee has provided in the past three years; and the geographical area in which such financings were made;
- (3) The application/proposal itself which shall contain the information as required for each type of licensee as specified in Rules 3.4 and 3.5;
- (4) An accounting plan which will show how the state licensee proposes to establish an account for the funds it may have in the Louisiana Fund;
- (5) Certifications that the board and management of the licensee are cognizant of the intent and provisions of the equity leverage financing program as specified in the LASBEC laws and these Rules; and
- (6) A resolution or other appropriate legal instrument authorizing the submittal of said application/proposal.

#### Rule 3.4 Development Companies

##### A. General - Development Companies

A development company, which is a state licensee, may apply to LASBEC for financial assistance under the equity leverage financing program in accordance with the provisions of this Rule and the provisions of other Rules which may be applicable to application/proposals.

In its application/proposal to LASBEC, a state licensee must agree to the following general terms and conditions:

(1) The licensee must provide matching private capital of at least \$1 for every \$4 being requested to be lent or guaranteed by LASBEC.

Such matching private capital may be in the form of cash, securities as allowed under the LASBEC laws, or pledges of capital to be provided when the state leverage funds are drawn.

(2) The licensee must create and thereafter account separ-

ately for, an account to be called the Louisiana Fund which shall contain eventually:

(a) The licensee's matching private capital which may never be in a proportion less than one-fourth of the amount of the cumulative total of state leverage funds;

(b) All state leverage funds provided under the equity leverage financing program;

(c) All interest earned on the deposit or loan of the funds specified above; and

(d) All federal or other leverage as may be available or which may be received in the future as a result of the LASBEC program.

(3) The licensee must lend or invest the funds placed in the Louisiana Fund only in those small firms which meet the criteria established in the LASBEC laws and in these Rules.

(4) The licensee must construct its loan and investment policies so as to maximize the possibilities of receiving federal and other leverage.

(5) The licensee must comply with all provisions of law and the Rules issued by LASBEC and the Commissioner of Financial Institutions.

Upon receipt of a licensee's application/proposal, LASBEC may exercise its authority to:

- (1) Directly lend funds to the licensee; or
- (2) Guarantee the loans made by a qualified financial institution to the licensee.

##### B. Direct Loans - Development Companies

LASBEC may provide a direct loan to a licensee for an amount not to exceed four times that amount placed in the Louisiana Fund by the licensee as matching private capital.

A direct loan shall be repayable in a term not less than five nor more than 30 years and shall be so subordinated to those of other providers of long-term leverage funds as to count as equity or paid-in capital for purposes of obtaining additional leverage. Prepayment of such a direct loan is permitted and is even encouraged. The terms of such prepayment may be negotiated by LASBEC and the licensee at any time.

LASBEC will not stipulate in these Rules a specific interest rate or any other condition on its direct loans. Rather, it will evaluate the interest rate and other conditions proposed by each licensee in each respective application/proposal in terms of:

- (1) Its competitive merit vis-a-vis other proposals;
- (2) LASBEC's need for funds to continue and to expand the program; and
- (3) LASBEC's case by case judgement as to the licensee's needs and the requirements of prudent loan management.

Direct loans may be made by LASBEC to a licensee under several different types of arrangements:

(1) Loans. LASBEC may make a loan to a licensee for a fixed amount and for a term and at an interest rate as proposed by the licensee and accepted by the LASBEC Board.

(2) Line of Credit. LASBEC may establish a line of credit up to a specified amount which will be available to a licensee for a certain length of time. The term of loans drawn from the line of credit and the interest rate on such loans will be determined by the licensee's needs at the time and LASBEC's acceptance.

(3) Pool of Credit. LASBEC may establish a pool of credit offering specified lines of credit to each licensed development company which may choose to apply to participate in said pool and which has been accepted by LASBEC for such participation. The lines of credit in the pool will be available to each licensee for a period of eight months after the establishment of the pool. After eight months have transpired, the pool will then be available to each accepted licensee on a first come-first served basis. The terms of loans drawn down from such lines of credit will be determined

by agreement between LASBEC and each licensee. The interest rate on such loans will be determined by LASBEC at the time of establishment of the pool after due consultation with all development companies.

(4) Other. LASBEC may provide a direct loan to a licensee under any creative arrangement proposed by a licensee which is consistent with the intent and letter of the LASBEC laws.

#### C. Guaranteed Loans - Development Companies

LASBEC may guarantee a loan made by a qualified financial institution to a licensee up to four times that amount placed in the Louisiana Fund by the licensee as matching private capital.

A guaranteed loan shall be repayable in a term not less than five nor more than 30 years and shall be so subordinated to those of other providers of long-term leverage funds as to count as equity or paid-in capital for purposes of obtaining additional leverage. Prepayment of a guaranteed loan, as allowed by the agreement between the qualified financial institution and the licensee, is also allowed by LASBEC. The terms and conditions of such prepayment shall be whatever is agreed upon between the financial institution and the licensee.

The interest rate on such a loan will be determined by negotiation and agreement between the licensee and the qualified financial institution.

Loans made by a qualified financial institution to a licensee may take several alternative forms:

(1) Loan. A qualified financial institution may make a loan to a licensee for a fixed amount and for a term and at an interest rate as agreed upon by the institution and the licensee and approved by LASBEC.

(2) Line of Credit. A qualified financial institution may establish a line of credit up to a specified amount which may be available to a licensee for a certain length of time. The terms, interest-rates and conditions on the loans drawn from such a line of credit will be determined by the institution and the licensee at the time of each such loan, subject to the approval of LASBEC.

(3) Pool of Credit. A qualified financial institution may establish a pool of credit offering specified lines of credit to several licensed development companies which may choose to participate in said pool. The lines of credit will be available to participating licensees on a first-come, first-served basis. The terms, interest rates and conditions on the loans drawn from such lines of credit will be determined at the time of each loan, subject to the approval of LASBEC.

(4) Other. LASBEC may guarantee a loan to a licensee under any creative arrangement proposed by a licensee which is consistent with the intent and letter of the LASBEC laws.

LASBEC's guarantees of such loans may include any one or any combination of the following:

- (1) A guarantee of principal only;
- (2) A guarantee of interest and principal;
- (3) A guarantee extended for the full term of the loan;
- (4) A guarantee extended for a portion of the term of the loan;
- (5) A guarantee of the full amount of the principal and/or interest and principal;
- (6) A guarantee of a fixed percentage of the amount of the principal and/or interest and principal; and
- (7) A guarantee of a declining percentage of the amount of the principal and/or interest and principal.

LASBEC will not guarantee a loan made by a licensee to its client companies. LASBEC will only guarantee loans made by qualified financial institutions to licensees. All loans provided or guaranteed by LASBEC shall be secured by no less than the assets which the licensees may have or may expect to have in their Louisiana Funds, with due consideration to such preferences as

may exist in favor of creditors, lien-holders and other suppliers of capital.

LASBEC is prepared to exercise its guarantees in any number of reasonable ways. One of these ways will be to place funds on deposit in or otherwise with the qualified financial institution which has agreed to make a loan to the licensee. The interest to be paid on such a deposit is negotiable and must be one of the items proposed by the licensee in its application/proposal.

#### D. Eligible Purposes - Development Companies

Direct loans or guaranteed loans may be used for any legitimate purpose consistent with the objectives of the LASBEC program and the federal programs which LASBEC is intended to complement. Such purposes may include, but will not be limited to: (1) the provision of front-end financing for site development in connection with multi-use projects; (2) the provision of financing to supply needed "equity injection" funds into a project; (3) the provision of venture capital or working capital to support a project.

#### E. Application/Proposal

Each licensed development company may submit an application/proposal to LASBEC in accordance with the procedures to be indicated in the invitation for application/proposals and as specified in these Rules.

In its application/proposal to LASBEC, each licensee shall state:

##### In the Case of Direct Loans:

- (1) The amount of matching private capital which the licensee is willing to place in the Louisiana Fund.
- (2) The nature of the matching private capital which the licensee is pledging and the way in which such capital will be placed in the Louisiana Fund.
- (3) The amount of funds to be loaned by LASBEC to the licensee.
- (4) The type of direct loan requested, whether in the form of a loan, a line of credit or participation in a pool of credit.
- (5) The term, interest rate and other conditions required by the licensee for the requested loan.
- (6) The type of financing the licensee intends to provide as a result of participation in the LASBEC program.

##### In the Case of Guarantees:

- (1) The amount of matching private capital which the licensee is willing to place in the Louisiana Fund.
- (2) The nature of the matching private capital which the licensee is pledging and the way in which such capital will be placed in the Louisiana Fund.
- (3) The amount of funds to be loaned to the licensee by a qualified financial institution.
- (4) The type of loan to be made by the qualified financial institution, that is, whether the loan is a fixed loan, a line of credit or participation in a pool of credit.
- (5) The terms and conditions of the agreement between the qualified financial institution and the licensee, specifying the terms of the loan or line of credit, the rate of interest and, in the case of a pool of credit arrangement, the amount of such participation.
- (6) The nature of the guarantee requested from LASBEC.
- (7) If the guarantee is in the form of a deposit, the amount of funds proposed to be placed on deposit by LASBEC as a guarantee to the qualified financial institution.
- (8) The terms and conditions to be placed on the guarantee, that is, whether:
  - (a) The guarantee is for principal only, or for interest and principal;
  - (b) The guarantee extends for the full term of the loan, or for a portion of the term;
  - (c) The guarantee is for the full amount of the principal and/or interest, or for a percentage of the principal and/or interest;

(d) The guarantee is for a fixed amount or percentage, or for a declining amount or percentage; or

(e) Any one or any combination of the above.

(9) An estimate of the time that it will take the licensee and the qualified financial institution to conclude an agreement with each other and with LASBEC.

(10) The type of financing the licensee intends to provide as a result of participation in the LASBEC program.

In their application/proposals, licensees are encouraged to request several alternative financial arrangements. For example, licensees may submit proposals which request fixed loans, lines of credit and/or participation in a pool of credit. In submitting such alternatives, each licensee, however, must indicate the specific terms, conditions and other pertinent dimensions and/or requirements affecting each alternative. Such alternative requests should be prioritized in terms of the licensee's performance. It is also encouraged that the amounts requested for each alternative be explained in language indicating a range of choice from a minimum level to the highest desired level of assistance available.

#### Rule 3.5 Investment Companies

##### A. General - Investment Companies

An investment company, which is a state licensee, may apply to LASBEC for financial assistance under the equity leverage financing program in accordance with the provisions of this Rule and the provisions of other Rules which may be applicable to application/proposals.

In its application/proposal to LASBEC, a state licensee must agree to the following general terms and conditions:

(1) The licensee must provide matching private capital of at least \$1 for every \$4 being requested to be lent or guaranteed by LASBEC.

Such matching private capital may be in the form of cash, securities as allowed under the LASBEC laws, or pledges of capital to be provided when the state leverage funds are drawn.

(2) The licensee must create and thereafter account separately for, an account to be called the Louisiana Fund which shall contain eventually:

(a) The licensee's matching private capital which may never be in a proportion less than one-fourth of the amount of the cumulative total of state leverage funds;

(b) All state leverage funds provided under the equity leverage financing program;

(c) All federal or other leverage as may be available or which may be received in the future as a result of the LASBEC program.

(3) The licensee must lend or invest the funds placed in the Louisiana Funds only in those small firms which meet the criteria established in the LASBEC laws and in these Rules.

(4) The licensee must construct its loan and investment policies so as to maximize the possibilities of receiving federal and other leverage.

(5) The licensee must comply with all provisions of law and the Rules issued by LASBEC and the Commissioner of Financial Institutions.

Upon receipt of a licensee's application, LASBEC may exercise its authority to:

(1) Directly lend funds to the licensee;

(2) Guarantee the loans made by a qualified financial institution to the licensee; and

(3) Guarantee equity investments made by a qualified financial institution in the licensee.

##### B. Direct Loans - Investment Companies

LASBEC may provide a direct loan to a licensed investment company for an amount not to exceed four times that amount placed in the Louisiana Fund by the licensee as matching

private capital. However, because loans from public bodies do not qualify for SBA leverage under current federal regulations, LASBEC does not encourage requests for such assistance. LASBEC may consider funding such a proposal only if it can be demonstrated by the licensee that:

(1) A determination has been made by SBA that LASBEC-guaranteed investments are not eligible for federal leverage;

(2) The loan can leverage public or private funds to a proportion that would be equal to or greater than that which would be available under SBA leverage; or

(3) The direct loan option is the best means consistent with the intent and purpose of the LASBEC law through which the licensee can participate in the program.

A direct loan shall be repayable in a term not less than five nor more than 30 years and shall be so subordinated to those of other providers of long-term leverage funds as to count as equity or paid-in capital for purposes of obtaining additional leverage. Prepayment of such a direct loan is permitted and is even encouraged. The terms of such prepayment may be negotiated by LASBEC and the licensee at any time.

LASBEC will not stipulate in these Rules a specific interest rate or any other conditions on its direct loans. Rather, it will evaluate the interest rate and other conditions proposed by each licensee in each respective application/proposal in terms of:

(1) Its competitive merit vis-a-vis other proposals;

(2) LASBEC's need for funds to continue and to expand the program; and

(3) LASBEC's case by case judgment as to the licensee's needs and the requirement of prudent loan management.

Direct loans may be made by LASBEC to a licensee under several different types of arrangements:

(1) Loan. LASBEC may make a loan to a licensee for a fixed amount and for a term and at an interest rate as proposed by a licensee and accepted by the LASBEC Board.

(2) Line of Credit. LASBEC may establish a line of credit up to a specified amount which will be available to a licensee for a certain length of time. The term of loans drawn from the line of credit and the interest rate on such loans will be determined by the licensee's needs at the time and LASBEC's acceptance.

(3) Pool of Credit. LASBEC may establish a pool of credit offering specified lines of credit to each licensed investment company which may choose to apply to participate in said pool and which has been accepted by LASBEC for such participation. The lines of credit in the pool will be available to each licensee for a period of eight months after the establishment of the pool. After eight months have transpired, the pool will then be available to each accepted licensee on a first-come, first-served basis. The terms of loans drawn down from such lines of credit will be determined by agreement between LASBEC and each licensee. The interest rate on such loans will be determined by LASBEC at the time of establishment of the pool after due consultation with all development companies.

(4) Other. LASBEC may provide a direct loan to a licensee under any creative arrangement proposed by a licensee which is consistent with the intent and letter of the LASBEC laws.

##### C. Guaranteed Loans - Investment Companies

LASBEC may guarantee a loan made by a qualified financial institution to a licensee up to four times that amount placed in the Louisiana Fund by the licensee as matching private capital. However, because such a loan would, in all probability, not qualify for SBA leverage under current federal regulations, LASBEC would, as in the case of a direct loan, not encourage a request for such assistance. LASBEC may consider funding such a proposal only if it could be demonstrated by the licensee that:

(1) Such a guaranteed loan, if properly structured (for

example, in the form of a subordinated debenture) is eligible for SBA leverage under current federal regulations; or

(2) A determination has been made by SBA that LASBEC-guaranteed investments are not eligible for federal leverage; or

(3) The loan can leverage public or private funds to a proportion that would be equal to or greater than that which would be available under SBA leverage; or

(4) The guaranteed loan option is the best means consistent with the intent and purpose of the LASBEC law through which the licensee can participate in the program.

A guaranteed loan shall be repayable in a term not less than five nor more than 30 years and shall be so subordinated to those of other providers of long-term leverage funds as to count as equity or paid-in capital for purposes of obtaining additional leverage. Prepayment of a guaranteed loan, as allowed by the agreement between the qualified financial institution and the licensee, is also allowed by LASBEC. The terms and conditions of such prepayment shall be whatever is agreed upon between the financial institution and the licensee.

The interest rate on such a loan will be determined by negotiation and agreement between the licensee and the qualified financial institution.

Loans made by a qualified financial institution to a licensee may take several alternative forms:

(1) **Loan.** A qualified financial institution may make a loan to a licensee for a fixed amount and for a term and at an interest rate as agreed upon by the institution and the licensee and approved by LASBEC.

(2) **Line of Credit.** A qualified financial institution may establish a line of credit up to a specified amount which may be available to a licensee for a certain length of time. The terms, interest rates and conditions on the loans drawn from such a line of credit will be determined by the institution and the licensee at the time of each such loan, subject to the approval of LASBEC.

(3) **Pool of Credit.** A qualified financial institution may establish a pool of credit offering specified lines of credit to several licensed development companies which may choose to participate in said pool. The lines of credit will be available to participating licensees on a first-come, first-served basis. The terms, interest rates and conditions on the loans drawn from such lines of credit will be determined by the institution and the licensees at the time of each loan, subject to the approval of LASBEC.

(4) **Other.** LASBEC may guarantee a loan to a licensee under any creative arrangement proposed by a licensee which is consistent with the intent and letter of the LASBEC laws.

LASBEC's guarantee of such loans may include any one or any combination of the following:

- (1) A guarantee of principal only;
- (2) A guarantee of interest and principal;
- (3) A guarantee extended for the full term of the loan;
- (4) A guarantee extended for a portion of the term of the loan;

(5) A guarantee of the full amount of the principal and/or interest and principal;

(6) A guarantee of a fixed percentage of the amount of the principal and/or interest and principal; or

(7) A guarantee of a declining percentage of the amount of the principal and/or interest and principal.

LASBEC will not guarantee a loan made by a licensee to its client companies. LASBEC will only guarantee loans made by qualified financial institutions to licensees. All loans provided or guaranteed by LASBEC shall be secured by no less than the assets which the licensees may have or may expect to have in their Louisiana Funds, with due consideration to such preferences as

may exist in favor of creditors, lien-holders and other suppliers of capital.

LASBEC is prepared to exercise its guarantee in any number of reasonable ways. One of these ways will be to place funds on deposit in or otherwise with the qualified financial institution which has agreed to make a loan to the licensee. The interest to be paid on such a deposit is negotiable and must be one of the items proposed by the licensee in its application/proposal.

#### D. Guaranteed Investments - Investment Companies

LASBEC may guarantee an equity investment made by a qualified financial institution in a licensee up to four times that amount placed in the Louisiana Fund by the licensee as matching private capital.

Such an investment may be for partnership shares or stock. Said investment shall be made in accordance with the LASBEC laws.

LASBEC's guarantee of such investments may include any or any combination of the following:

(1) A guarantee of only the amount of investment against loss;

(2) A guarantee of the amount of investment and the dividend rate or rate of return against loss;

(3) A guarantee of the full amount of the investment and/or the dividend rate or rate of return against loss;

(4) A guarantee of a fixed percentage of the amount of investment and/or a fixed percentage of the dividend rate or rate of return against loss; or

(5) A guarantee of a declining percentage of the amount of investment and/or a declining percentage of the dividend rate or rate of return against loss.

LASBEC will not guarantee investments made by licensees in its client companies. All investments guaranteed by LASBEC shall be secured by no less than the assets which the licensees may have or may expect to have in their Louisiana Funds, with due consideration to such preferences as may exist in favor of creditors, lien-holders and other suppliers of capital. LASBEC shall negotiate with each licensee at the time of its application/proposal, arrangements for securing repayment of LASBEC's guarantee if called upon.

LASBEC is prepared to exercise its guarantees in any number of reasonable ways. One of these ways will be to place funds on deposit in or otherwise with the qualified financial institution which has agreed to invest in or lend to the licensee. The interest to be paid on such a deposit is negotiable and must be one of the items proposed by the licensee in its application/proposal.

LASBEC will not stipulate in these Rules a specific length of time for which a guarantee shall be available. Rather, it will request each licensee to propose the length of time for the guarantee in its respective application/proposal.

#### E. Eligible Purposes - Investment Companies

Direct or guaranteed loans, or guaranteed investments, may be used for any legitimate purpose consistent with the objectives of the LASBEC program and SBA's small business investment company program which LASBEC is intended to complement.

#### F. Applicant/Proposal - Investment Companies

Each licensed investment company may submit an application/proposal to LASBEC in accordance with the procedures to be indicated in the invitation for application/proposal and as specified in these Rules.

In its application/proposal to LASBEC, each licensee shall state:

#### In the Case of Direct Loans:

(1) The amount of matching private capital which the licensee is willing to place in the Louisiana Fund.

(2) The nature of the matching private capital which the licensee is pledging and the way in which such capital will be placed in the Louisiana Fund.

(3) The amount of funds to be loaned by LASBEC to the licensee.

(4) The type of direct loan requested, whether in the form of a loan, a line of credit or participation in a pool of credit.

(5) The term interest rate and other conditions required by the licensee for the requested loan.

(6) The type of financing the licensee intends to provide as a result of participation in the LASBEC program.

In the Case of Guaranteed Loans:

(1) The amount of matching private capital which the licensee is willing to place in the Louisiana Fund;

(2) The nature of the matching private capital which the licensee is pledging and the way in which such capital will be placed in the Louisiana Fund.

(3) The amount of funds to be lent to the licensee by a qualified financial institution.

(4) The type of loan to be made by the qualified financial institution, that is, whether the loan is a fixed loan, a line of credit or participation in a pool of credit.

(5) The terms and conditions of the agreement between the qualified financial institution and the licensee, specifying the terms of the loan or line of credit, the rate of interest and, in the case of a pool of credit arrangement, the amount of such participation.

(6) The nature of the guarantee requested from LASBEC.

(7) If the guarantee is in the form of a deposit, the amount of funds proposed to be placed on deposit by LASBEC as a guarantee to the qualified financial institution.

(8) The terms and conditions to be placed on the guarantee, that is, whether:

(a) The guarantee is for principal only, or for interest and principal;

(b) The guarantee extends for the full term of the loan; or for a portion of the term;

(c) The guarantee is for the full amount of the principal and/or interest, or for a percentage of the principal and/or interest;

(d) The guarantee is for a fixed amount or percentage, or for a declining amount or percentage; or

(e) Any one or any combination of the above.

(9) An estimate of the time that it will take the licensee and the qualified financial institution to conclude an agreement with each other and with LASBEC.

(10) The type of financing the licensee intends to provide as a result of participation in the LASBEC program.

In the Case of Guaranteed Investments:

(1) The amount of matching private capital which the licensee is willing to place in the Louisiana Fund.

(2) The nature of the matching private capital which the licensee is pledging and the way in which such capital will be placed in the Louisiana Fund.

(3) The amount of funds to be invested in the licensee by a qualified financial institution.

(4) The type of investment to be made by the qualified financial institution.

(5) The terms and conditions of the agreement between the qualified financial institution and the licensee, specifying the terms of the investment, the dividend rate to be paid, if agreed-upon, and other such relevant information which may be part of said equity arrangement.

(6) The nature of the guarantee requested from LASBEC.

(7) If the guarantee is in the form of a deposit, the amount of funds proposed to be placed on deposit by LASBEC as a guarantee to the qualified financial institution.

(8) The terms and conditions to be placed on the guaran-

tee, that is, whether:

(a) The guarantee is for only the amount of investment or for investment and the dividend rate or rate of return;

(b) The guarantee is for the full amount of the investment and/or the dividend rate or rate of return;

(c) The guarantee is for a fixed percentage of the amount of investment and/or for a fixed percentage of the dividend rate or rate of return; or

(d) The guarantee is for a declining percentage of the amount of investment and/or for a declining percentage of the dividend rate or rate of return;

(e) Any one or any combination of the above.

(9) The length of time in which the guarantee shall be extended.

(10) Arrangements for securing LASBEC's guarantee if called upon.

(11) An estimate of the time that it will take the licensee and the qualified financial institution to conclude an agreement with each other and with LASBEC.

(12) The type of financing the licensee intends to provide as a result of participation in the LASBEC program.

In their application/proposals, licensees are encouraged to request several alternative financial arrangements. For example, licensees may submit proposals which request direct loans, guaranteed loans or investments. In submitting such alternatives, each licensee, however, must indicate the specific terms, conditions and other pertinent dimensions and/or requirements affecting each alternative. Such alternative requests should be prioritized in terms of the licensee's preference. It is also encouraged that the amounts requested for each alternative be explained in language indicating a range of choice from a minimal level to the highest desired level of assistance available.

#### Rule 3.6 Preproposal Conference

Prior to the submission of application/proposals, LASBEC will invite licensees to a public meeting to discuss the general terms and conditions which the licensees are considering submitting in their proposals. The purpose of such a meeting is:

(1) To indicate the perspective and thinking of the Board relative to different types of financial arrangements;

(2) To answer questions and resolve issues that the licensees may have with respect to the program and its regulations;

(3) To discuss financial arrangements that the licensees might submit to LASBEC; and

(4) To provide lists of the names of qualified financial institutions that might be interested in participating in the LASBEC program.

#### Rule 3.7 The Review Process

The Chairman of LASBEC shall appoint an evaluation committee consisting of LASBEC Board and Advisory Committee members to review and evaluate each application/proposal.

In performing its review, the committee shall carefully analyze the information provided by the licensee in Part E of its application/proposal and shall comparatively evaluate all proposals in terms of each or any combination of the following policy priorities:

##### Priorities Relative to Direct Loans:

(1) Priority shall be given to proposals which clearly demonstrate an understanding of and commitment to the purpose and intent of the LASBEC program.

(2) Priority shall be given to proposals that request the smaller ratio of funds to be lent by LASBEC relative to the licensees matching capital.

(3) Priority shall be given to proposals which have the shorter comparative terms.

(4) Priority shall be given to proposals which offer the higher rates of interest.

(5) Priority shall be given to proposals which offer the better opportunities for fulfilling the intent of the LASBEC laws throughout the state as may be determined by the LASBEC Board.

#### Priorities Relative to Guarantees:

(1) Priority shall be given to proposals which clearly demonstrate an understanding of and commitment to the purpose and intent of the LASBEC program.

(2) Priority shall be given to proposals that request the lesser amount of guaranteed funds from LASBEC relative to the licensees matching capital and the capital to be provided by the qualified financial institution.

(3) Priority shall be given to proposals that request guarantees for only the amount of the principal or the amount of the investment and not the specified rates of return.

(4) In the case of guarantees requested for interest and/or for specified rates of return, priority shall be given to proposals requesting the lesser amount of guarantee relative to interest and to rates of return.

(5) Priority shall be given to proposals which have the shorter comparative terms for the guarantee.

(6) Priority shall be given to proposals which request the lower percentage of guarantee for either the principal or investment amount, or for interest rates or specified rates of return.

(7) Priority shall be given to proposals which offer the better opportunities for fulfilling the intent of the LASBEC laws throughout the state as may be determined by the LASBEC Board.

#### Rule 3.8 Approval Process

After the review and evaluation process has been completed, the LASBEC Board shall meet to consider the findings and recommendations of the evaluation committee.

On the basis of reasonable and fair criteria and judgment, the LASBEC Board shall then decide relative to each proposal whether or not to:

- (1) Accept and fund the proposal as presented;
- (2) Accept the proposal with conditions;
- (3) Accept but not fund the proposal at this time; or
- (4) Reject the proposal as presented.

After making such decisions, the LASBEC Board shall then direct by resolution its staff and the evaluation committee to negotiate such conditions as the Board may have decided and to prepare all necessary legal agreements with the respective licensees for effecting the same.

Upon completion of all required legal documents, the staff and evaluation committee shall then present said draft agreements for final review and decision by the LASBEC Board.

After final approval of all required legal documents, the LASBEC Board shall then by resolution direct its officers and staff to disburse funds in accordance with the approved legal agreements.

#### Rule 3.9 Federal Law and Regulations

The LASBEC program is intended to complement the programs of the federal government which relate to qualified small business financing companies and to state licensees. LASBEC does not intend that the provisions of its program shall supercede existing federal regulations. Whenever a party claims that a conflict exists, it shall submit to LASBEC an opinion of individual counsel citing authorities for the resolution of the issues involved.

#### Rule 3.10 Prohibited and Restricted Activities, Conflicts of Interest and Penalties

Prohibited and restricted activities, conflicts of interest and penalties are specified in the LASBEC laws. The LASBEC Board and its associates, and the state licensees and their associates shall act at all times in accordance with such provisions. Failure to

comply with such provisions may result in the penalties specified in the LASBEC laws.

#### Rule 3.11 Reporting and Record-Keeping

Reporting and record-keeping with respect to the equity leveraging program shall be in accordance with the LASBEC laws.

#### Rule 3.12 Prevention of Arbitrage and Inactivity

It is the intention and expectation of LASBEC that the disbursement of the funds generated by the equity leverage financing program to small businesses will be accomplished in a reasonably short period of time. At the same time, LASBEC recognizes that licensees often need to wait for those financings that are consistent with their policies. Furthermore, LASBEC does not want to encourage hasty and improvident loan and investment decisions. There is, however, a need to prevent the improper use of LASBEC funds solely as a means to obtain a benefit from the difference in interest rates that may arise in the LASBEC program. There is also a need to encourage the efficient disbursement of funds from the Louisiana Fund to small businesses.

In order to promote such efficient disbursement of state leverage funds, without encouraging improvident loan and investment decisions, the LASBEC Board shall apply the following procedures and penalties:

(1) Procedures - After the first year following the loan of funds by LASBEC, or the loan or investment of funds by a qualified financial institution to or in a licensee under this program, the LASBEC Board shall examine the performance of each licensee in terms of its activity in the past year with respect to the loan or investment of state leverage funds. In the event that after such examination the LASBEC Board determines that the licensee has either willfully engaged in arbitrage manipulations or has been unreasonably slow in disbursing funds from the Louisiana Fund to small businesses, the LASBEC Board shall notify said licensee in writing of its findings and shall allow 30 days for the licensee to respond to such findings. The licensee shall respond in writing to a committee to be appointed by the chairman for this purpose and may request a meeting with such committee.

After an examination of the response of the licensee to the findings of the Board and its committee, the LASBEC Board shall make a final determination as to whether or not to invoke the penalty as specified below.

(2) Penalty - If after a final determination by the LASBEC Board that a licensee has willfully engaged in arbitrage manipulations, LASBEC will require the licensee to pay to LASBEC 100 percent of the interest generated on the initial state leverage funds that may have been guaranteed or lent by LASBEC. If after a final determination by the LASBEC Board that a licensee has been unreasonably slow in disbursing funds from the Louisiana Fund to small businesses, LASBEC may require the licensee to pay to LASBEC up to 100 percent of the interest generated on the initial state leverage funds that may have been guaranteed or lent by LASBEC. The sum shall be paid to the account of LASBEC on a monthly basis until such time as all initial state leverage funds which have been so guaranteed or lent are disbursed by the licensee to small businesses.

(3) The penalty pertaining to the prevention of arbitrage and inactivity shall not in any way apply to the funds lent to or invested in small businesses by the licensee, but only to those initial state leverage funds which have been guaranteed or lent by LASBEC and which are remaining in the Louisiana Fund.

C. Emmett Pugh  
Chairman

## RULES

### Board of Elementary and Secondary Education

Rule 4.00.73 — The Board approved for final adoption, Revised Bulletin 1213, *Minimum Standards for School Buses in Louisiana* as amended.

Rule 4.00.04.d — The Board adopted amendments to Act 754 Regulations, Sections 513-517 relative to the state-level review process.

Rule 4.00.04.e — The Board adopted an amendment to Act 754 Regulations, subsections 130A and 130B relative to membership of the State Special Education Advisory Council.

James V. Soileau  
Executive Director

## RULE

### Division of Administration Facility Planning and Control

#### DEMOLITION OR DISPOSING OF STATE OWNED BUILDINGS

In order to assure compliance with Act 537 of the 1982 Session the following procedure will be followed when demolition or disposing of a State owned building is necessary:

1. Upon receipt of a properly authorized request, including description, site plan and two photographs, from any State agency to raze, demolish or otherwise dispose of any building or structure owned by the State of Louisiana, except highways, bridges, and railroads, Facility Planning and Control shall immediately notify all state legislators representing the parish in which the involved structure is located and the State Historic Preservation Officer. (Legislation only requires notification to legislators representing the **district** in which the structure is located, but interest in the disposition of State Property is parish-wide and not limited to district boundaries).

2. The letter to the legislators and the State Historic Preservation Officer should identify the building or structure to be razed, demolished or otherwise disposed of, the location, reasons for such action, brief description of the work involved, etc. Recipients of such a letter are to be assured that under no conditions shall a request for property disposition be approved by Facility Planning and Control prior to 30 days from the date of notification. Should any of the above protest to this demolition, Facility Planning and Control will not authorize demolition until the State agency gets the protest officially lifted.

3. After the receipt of a request for approval of disposition, Facility Planning and Control will issue a written order to the appropriate Facility Planning and Control field engineer to make an inspection of the subject building or structure. His report will include his recommendations regarding disposition, any suggested alternatives or possible use of the structure by other state agencies, a description of any moveable property which may currently be in demand elsewhere or which may have value as surplus property, etc.

4. Copies of the inspection report by the field engineer are to be sent to the Departments of Building and Grounds and Surplus Property. Contents of the report may require a response from those Departments.

5. If it is concluded that it is appropriate to raze, demolish or otherwise dispose of the building or structure, the user agency will be required to furnish a written report to Facility Planning and Control as to how the structure will be disposed of, the estimated costs involved and the source of the funding.

6. Act 537 requires that all work exceeding the contract limit of \$30,000 shall be advertised and awarded by contract to the lowest responsible bidder. The contract limit of \$30,000 for each of 10 succeeding calendar years after 1982 shall be increased by a factor equal to 3 percent per year. If funding is available through Facility Planning and Control and public bidding is required, this procedure will be handled by the Facility Planning and Control Department.

7. Although not required by law for projects of \$30,000 or less, the user agency should obtain three or more proposals for every approved disposal project in this category when feasible and expeditious. Such proposals, along with the user's recommendations, should then be forwarded to Facility Planning and Control for consideration for an award of contract.

8. Any professional services contract requirements will be handled by Facility Planning and Control.

E. L. Henry  
Commissioner

## RULE

### Department of Health and Human Resources Office of Family Security

The Department of Health and Human Resources, Office of Family Security, shall implement a Rule to clarify criteria used in determining approval of rehabilitation plans for individuals who are likely to realize substantial gains in self-care, self-help, or rehabilitation. This criteria is presently in use and does not represent a change in policy. The criteria has been clarified in the Title XIX State Plan, Attachment 3.1-A, Item 13.d.

## RULE

1) Self-care and self-help are defined as the ability of the individual to take care of personal needs, e.g., eating, dressing, ability to walk, talk, or use devices unassisted.

2) Rehabilitation is defined as a program to prevent further impairment of physical deformity and malfunction, and enable significantly increased ability of the individual to require less care by others.

3) Less care by others is defined as the ability of the client to use a minimum of assistance to take care of personal needs.

Roger P. Guissing  
Secretary

## RULE

### Department of Health and Human Resources Office of Family Security

The Department of Health and Human Resources, Office of Family Security, shall implement effective April 1, 1983 the following changes in the Food Stamp Program as set forth in the Food Stamp State Manual. These changes are mandated by Federal Regulations as published in the *Federal Register*, Vol. 47, No. 238, Friday, December 10, 1982, pp. 55463-55469 and Vol. 47, No. 240, Tuesday, December 14, 1982, pp. 55903-55910. The appropriate sections of the Food Stamp State Manual will be revised to incorporate the mandated changes.

Section 12-239 will be expanded to include new policy on

sponsored aliens. A portion of the income and resources of an alien's sponsor and the sponsor's spouse shall be used in determining the eligibility and allotment level of a sponsored alien.

Section 12-222 will be expanded to amend the definition of household composition as follows: 1. The definition of "elderly and disabled" in the household definition has been expanded to include disabled veterans and their disabled surviving spouses and children. 2. Siblings living together must be considered one household unless at least one of the siblings is elderly or disabled. 3. The definition of a household is expanded to provide that elderly individuals (and their spouses) who cannot prepare their own meals because they suffer from disabilities considered permanent under the Social Security Act or some other physical or mental non-disease related disabilities may be a separate household even if living and eating with others. This is limited to those cases where the gross income of the individuals with whom the elderly or disabled person resides does not exceed 165 percent of the poverty level.

Section 12-230 will be amended to reflect the following changes with regard to post-secondary students. The definition of dependent care for students with dependents will be amended. Students with dependents must be responsible for a dependent household member under the age of six; or be responsible for the care of dependent household member who has reached the age of six but is under age 12 where the Office of Family Security has determined that adequate child care is not available; or receiving benefits from Aid to Families with Dependent Children.

Section 12-235 will be expanded to include in a household's resources individual retirement accounts less the amount that would be lost as penalty for early withdrawal of the entire account.

Section 12-236 will be revised to amend the income eligibility standards. Households with no elderly or disabled members will be subject to both the gross and net income eligibility tests. To be eligible, these households must meet both the net and gross income standards.

Section 12-238 will be amended to revise the definition and method of determining initial month's benefits. The definition of "initial months" for a household which has previously participated includes the first month for which an allotment is issued following *any period of time* which the household was not certified for participation, provided that the household does not have an application pending. In determining initial month benefits, the result of the proration will be rounded down to the nearest lower dollar increment. If the calculation results in an allotment of less than \$10, then no benefits will be issued.

Roger P. Guissinger  
Secretary

#### **RULE**

#### **Department of Health and Human Resources Office of Family Security**

The Department of Health and Human Resources, Office of Family Security, shall implement a Rule in the Medical Assistance Program to amend Medicaid eligibility policy. Effective April 1, 1983, an individual will not be eligible for Title XIX payment for long term care or other services until he has been in the facility for a full calendar month, unless Medicaid eligibility was established prior to placement in the long term care facility. Any Medicaid eligible recipient except a Medically Needy recipient will continue to be eligible for Title XIX payment or long term care services for

the month of admission and prior to being in the facility the first full calendar month.

An individual eligible for Medicaid under the special income level, will not be eligible for Title XIX payment for long term care or other services for the partial month of admission to the facility with the following exceptions: (1) If such an individual receives care in a combination of Title XIX facilities, such as a hospital, Skilled Nursing Facility (SNF) or Intermediate Care Facility (ICF) for a full calendar month, he has established eligibility for the purposes of applying the special income level. Continuity of institutional status must be maintained for the entire full calendar month; (2) An individual is a recipient of Home and Community Based Services under Title XIX prior to placement in an institution. For such individuals, Title XIX payment would begin on the date of admission as Medicaid eligibility has been established.

An individual eligible under the special income level who is discharged from a long term care facility prior to the end of the first calendar month, shall not be eligible for Title XIX payment. If such an individual dies during the first full calendar month, he will be eligible from the first day of the first full calendar month but not for any partial month prior to that.

An individual under the special income level who becomes eligible for Title XIX after being in the facility the first full calendar month, will not be eligible for any Medicaid services for any partial month of admission.

An individual eligible for Title XIX under the special income level is defined as an individual in an institution having an income greater than the maximum SSI benefit amount payable to an individual in his own home, but less than the CAP rate (300 percent of the SSI Standard Payment Amount).

The first full calendar month is defined as the month in which the individual has been in the institution for the entire calendar month (i.e. from the first day of the month through the end of the month).

This action is being taken to bring the Louisiana Medical Assistance Program into compliance with Federal Regulation 42 CFR 435.722(c).

Roger P. Guissinger  
Secretary

#### **RULE**

#### **Department of Health and Human Resources Office of Family Security**

The Department of Health and Human Resources, Office of Family Security, elects the following change in Support Enforcement Program.

#### **RULE**

The IV-D Program shall charge a fee of \$10 per request for Non-AFDC locate only requests. An additional \$4 charge shall be made if no Social Security number of the absent parent is provided.

Roger P. Guissinger  
Secretary

**RULE**

**Department of Health and Human Resources  
Office of Family Security**

The Department of Health and Human Resources, Office of Family Security, elects the following change in Support Enforcement Program.

**RULE**

The IV-D Program shall establish involuntary military allotments through any absent parent/member's branch of military service when that absent parent has failed to make payments equal to the support payable for two months or longer and to liquidate any arrearages when the absent parent is 12 or more weeks in arrears with a court order for child support.

Roger P. Guissinger  
Secretary

**RULE**

**Department of Health and Human Resources  
Office of Family Security**

The Department of Health and Human Resources, Office of Family Security, has adopted a Rule in the Medical Assistance Program to clarify that Title XIX allows payment for rehabilitative services in an Intermediate Care Facility I and II. These services may be provided only by a Title XVIII-certified rehabilitation center, Title XVIII-certified home health agency or Title XVIII-certified hospital outpatient rehabilitative service. The long term care facility must have in effect a written agreement with any of the above for provision of the required services. Intermediate Care Facilities I and II which admit or retain a Title XIX recipient in need of rehabilitative services shall be responsible for arranging for the required services. The cost of rehabilitative services in an Intermediate Care Facility I or II is not an allowable cost under Title XIX reimbursement principles.

Skilled nursing facilities (SNF) which admit or retain a Title XIX recipient in need of rehabilitative services, shall be responsible for providing or arranging for, under written agreement, specialized rehabilitative services as part of the SNF services for these individuals. The cost of rehabilitative services in a SNF is an allowable cost under Title XIX reimbursement principles.

The agency has also adopted a Rule which prohibits physicians, who have a significant ownership interest in or contractual relationship with a home health agency, from preparing a certification of need for Home Health Agency Services or establishing and reviewing a plan of treatment for those services for the home health agency. This is in accordance with Federal Regulations published in the October 26, 1982 *Federal Register* (Volume 47, Number 207, Page 47392).

Significant financial or contractual relationship shall be defined as a relationship that involves a direct or indirect business transaction that, in any fiscal year, amount to more than \$25,000 or five percent of the agency's total operating expenses, whichever is less. Business transactions shall be defined as contracts, agreements, purchase orders, or leases to obtain services, supplies, equipment and space.

A physician shall be considered to have a "significant ownership interest" if he or she:

1) Has a direct or indirect ownership interest of five percent or more in the capital, the stock or the profits of the home health agency;

2) Has an ownership interest of five percent or more in any mortgage, deed of trust, note or other obligation that is secured by the agency, if that interest equals five percent or more of the agency's assets; or

3) Is an officer or director of a home health agency organized as a corporation or a partner in a home health agency organized as a partnership.

Roger P. Guissinger  
Secretary

**RULE**

**Department of Health and Human Resources  
Office of Family Security**

The Department of Health and Human Resources, Office of Family Security, shall amend a Rule published in the January 20, 1983, issue of the *Louisiana Register*. The original Rule states that Title XIX recipients in Intermediate Care Facilities be visited by a physician at least every 60 days following admission unless the physician decides that this frequency is unnecessary and records the reasons for that decision.

**RULE**

Physicians will no longer be required to visit Title XIX recipients certified for Intermediate Care Facilities I and II (ICFs I and II), including ICF recipients in Skilled Nursing Facilities (SNF) at least every 60 days following admission if the treating physician determines that this frequency is unnecessary. The rationale for this decision must be documented in the recipient's medical record. A minimum of one physician visit per recipient per year shall be required.

This change does not affect separate requirements for recertification by a physician regarding continued need for care and/or review or revision of the plan of care for the recipient.

This action is necessary in order to incorporate recommendations made at a meeting of the Subcommittee on Oversight, Joint Committee on Health and Welfare, which was held on January 13, 1983.

Roger P. Guissinger  
Secretary

# Notices of Intent

**NOTICE OF INTENT**

**Department of Agriculture  
Advisory Commission of Pesticides**

In accordance with the provisions of LSA 49:951, et seq., the Administrative Procedure Act, and LSA 3:3213, relative to the powers of the Advisory Commission on Pesticides, notice is hereby

given that the Commissioner of Agriculture and the Advisory Commission on Pesticides will conduct a public hearing on April 6, 1983, at 1 p.m. at the State Capitol, Baton Rouge, Louisiana. Prior to the said public hearing, regional hearings will be conducted by the Commissioner and the Advisory Commission on Pesticides at the following dates, times, and locations:

March 9, 1983 - 7 p.m., Jeff Davis Parish Fairgrounds, Multi-Purpose Building, South Highway 26, Jennings, LA.

March 10, 1983 - 7 p.m., Louisiana State University at Alexandria, Science Auditorium, Highway 71 South, Alexandria, LA.

March 16, 1983 - 7 p.m., Ouachita Agriculture Center, Agricultural Auditorium, 704 Cypress Street, West Monroe, LA.

March 17, 1983 - 7 p.m., Louisiana State Exhibit Museum, 3015 Greenwood Road, Shreveport, LA.

March 22, 1983 - 7 p.m., Jefferson Parish Courthouse, 2nd Floor Council Chambers, 2nd Street & Derbigny, Gretna, LA.

PUBLIC HEARING — April 5, 1983 - 1 p.m., Louisiana State Capitol, House Committee Room 6, Baton Rouge, LA.

The purpose of the above public hearings will be to consider the adoption of comprehensive Rules and Regulations for the administration of the pesticides regulatory program, including, but not by way of limitations, the following subject areas: authority; definitions; operation of the Commission; registration of pesticides; certification of applicators, sales supervisors, and agricultural consultants; licensing of firms; pesticide wastes; fees; application of pesticides; aerial application of pesticides to rights-of-way to control woody vegetation; enforcement; exemptions; and other similar subjects. Interested persons may secure a copy of the text of the proposed Rules and Regulations by written or verbal request to Harry Calhoun, Director, Pesticides and Environmental Programs, Box 44153, Baton Rouge, LA 70804, or in person at his office at 9181 Interline Highway, Baton Rouge, LA.

Comments will be accepted by Harry Calhoun up to and including April 3, 1983, or may be presented in person at any of the above hearings. All interested persons will be provided an opportunity to submit data, arguments, and views, orally or in writing, at all of the above hearings.

Bob Odum  
Commissioner

### **Fiscal and Economic Impact Statement For Administrative Rules Rule Title: Pesticides**

#### **I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO AGENCY - (Summary)**

No implementation costs (savings) to agency.

#### **II. ESTIMATED EFFECT ON REVENUE COLLECTIONS - (Summary)**

No anticipated effect on revenue collections. The only change in fees is a nominal increase (\$10) in the fee for examinations administered in regional offices instead of the Baton Rouge office. No projection of the number of examinations which will be administered in regional offices is possible at the present time.

#### **III. ESTIMATED COSTS AND BENEFITS TO AFFECTED GROUPS - (Summary)**

No estimated costs to affected groups. Consolidation and clarification of existing Rules will benefit the affected groups in that a more usable code of regulations will result from adoption of the proposed Rules.

#### **IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT - (Summary)**

No estimated effect on competition or employment.

John W. Impson  
Asst. Commissioner

Mark C. Drennen  
Legislative Fiscal Officer

### **NOTICE OF INTENT Department of Agriculture Seed Commission**

In accordance with the provisions of LSA 49:951, et seq., the Administrative Procedure Act, and LSA 3:1433, relative to the authority of the Seed Commission, notice is hereby given that the Department of Agriculture, Seed Commission, will conduct public hearings at the following locations and dates:

Alexandria, Louisiana — County Agent's Office, March 29, 1983, 7 p.m.

Baton Rouge, Louisiana — State Capitol, Twenty-first Floor, April 6, 1983, 10 a.m.

The purpose of these hearings is to consider adoption of the following amendments, deletions, and/or additions to the Louisiana Seed Certification Standards:

Existing seed lot size limitations will be deleted from Rule 7.0 and Rule 7.0 will be amended to read as follows:

#### **7.0 Lot of Seed**

7.1 The applicant shall assign a specific, unique number or other mark to each lot of seed when the seed is conditioned.

7.2 Each container in a given lot of seed shall be marked with the number or other mark assigned to that lot.

7.3 Seed lots may be blended if the variety and class are the same.

7.4 All seed must be bagged in new bags, unless other types of containers are approved by the Department of Agriculture prior to bagging.

Rule 12.0 of the Louisiana Seed Certification Standards will be amended by the deletion of the weeds listed below from the list of noxious weeds contained therein and the establishment of limitations for the noxious weeds listed below.

A. The following weeds will be deleted from the listing of noxious weeds: Wild Raddish (*Raphanus raphanistrum*); Wild Carrot (*Daucus carota*); Teaweed (*Sida rhombifolia*); and Redroot Pigweed (*Amaranthus retroflexus*).

B. Limitations, as shown below, will be established for the following noxious weeds: Morning Glory (*Ipomoea* spp.), 18 per lb.; Wild Poinsettia (*Euphorbia heterophylla*, E. Dentata), 18 per lb.

Rule 33.1 of the Louisiana Seed Certification Standards will be amended to read as follows:

33.1 Conditions governing the shipment or movement of Seed Irish Potatoes into Louisiana

A. Seed Irish potatoes must pass field and storage seed certification requirements of the seed certifying agency in the state of origin.

B. The tolerances for insects and diseases shall be the same as those set forth in the Louisiana Seed Certification Standards for Seed Irish Potatoes (Rule 36.0).

C. Each container of seed moved into, offered for sale, or sold in Louisiana shall have attached thereto an official foundation, registered, or certified seed tag issued by the properly constituted and recognized seed certifying agency of the state of origin.

A new Rule 9.0 establishing standards for approval of

certified seed conditioning plants will be adopted. Interested persons may secure a copy of the draft proposal for the new regulation by contacting John Armstrong at the address shown below.

The existing Rule 9.0, entitled "Interagency Certification (Out-of-State Seeds)," will be moved and re-numbered to be Rule 16.0 without any changes in the substantive provisions of the Rule as presently in effect.

The existing Rules 16.0 and 45.0, setting forth standards for certification of specific seed crops, will be re-numbered, consecutively, as Rules 20.0 through 49.0, leaving a reservation for the addition of new Rules 17.0, 18.0, and 19.0 at a future date.

The purpose of the re-numbering of Rules is to preserve sufficient Rule numbers to accommodate any necessary future amendments to the general provisions affecting all classes of seed and all seed crops.

After re-numbering as provided above, Rules 20.0 through 49.0 of the Louisiana Seed Certification Standards will be amended by adding field and seed certification standards for Breeder seed in each Rule.

Rule VI of the Louisiana Seed Law Regulations, entitled "List and Limitations of Noxious Weed Seeds," will be amended to conform, in its entirety, to Rule 12.0 of the Seed Certification Standards as amended above.

The Seed Commission may also consider the adoption of other provisions of the Seed Certification Standards and/or the Louisiana Seed Law Regulations at the above public hearings.

Comments will be accepted by John Armstrong, State Seed Analyst, Box 16390-A, Baton Rouge, LA 70893, or in person at his office at the Harry D. Wilson Building, LSU Campus, Baton Rouge, LA.

All interested persons will be afforded an opportunity to submit data or arguments, orally or in writing, at the said public hearings.

Bob Odom  
Commissioner

**Fiscal and Economic Impact Statement  
For Administrative Rules  
Rule Title: Certified Seed**

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO AGENCY - (Summary)**

No implementation costs (savings) to agency.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS - (Summary)**

No estimated effect on revenue collections.

**III. ESTIMATED COSTS AND BENEFITS TO AFFECTED GROUPS - (Summary)**

Rule changes as follows will result in reduced costs and simplification of procedures for all persons in the affected groups: (a) deletion of four noxious weeds from the noxious weed listing for both the regulatory and the certified seed programs, (b) establishment of specific limitations for two additional noxious weeds, (c) elimination of seed lot size limitations, (d) adoption of the same standards for certification of in-state Irish potatoes and out-of-state Irish potatoes, and (e) adoption of specific standards for Breeder seeds. The adoption of new seed conditioning plant standards may result in slight changes of procedures in the plants, but will also assure varietal purity, which is of utmost importance to farmers purchasing certified seeds.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT - (Summary)**

None of the proposed changes, deletions, or additions to present regulations will have any appreciable impact on competition. The adoption of new standards for approval of seed conditioning plants may result in the creation of an additional five (maximum) new job opportunities statewide.

John Compton  
Deputy Commissioner

Mark C. Drennen  
Legislative Fiscal Officer

**NOTICE OF INTENT  
Department of Agriculture  
Structural Pest Control Commission**

Notice is hereby given that the Department of Agriculture, Structural Pest Control Commission, under the authority granted under R.S. 40:1261, et seq., will conduct a public hearing on April 7, 1983, at 1 p.m., in the State Capitol, Baton Rouge, LA, for consideration of the following amendments and additions to the

Commission's Rules and Regulations:

Rule 3.4, relative to fees for place of business permits, will be amended to read as follows:

3.4 The fee for issuance of a permit for operation shall be \$100 for firms which employ two or less employees and \$150 for firms which employ three or more employees.

Rule 3.5, relative to fees for renewal of such permits, will be amended to read as follows:

3.5 The fee for renewal of a permit for operation shall be \$100 for firms which employ two or less employees and \$150 for firms which employ three or more employees.

Rule 5.3, relative to examination fees, will be amended to read as follows:

5.3 Each applicant for examination shall pay a fee of \$50 at the time of submission of the application, which fee shall be non-refundable.

Rule 8.0, entitled "Contracts for Termite Control Work", will be amended by adding thereto a new Rule 8.6 reading as follows:

8.6 No fee shall be due to the Commission for the first 10 termite contracts performed in each fiscal year by a structural pest control operator. The operator must, however, report the performance of the first ten contracts for termite control work in the report required under Rule 8.4 above. The fee established in R.S. 40:1272 is applicable to the eleventh and all subsequent contracts for termite control work in each fiscal year.

Written comments will be accepted by James Arceneaux, Assistant Director, Structural Pest Control Commission, 9181 Interline Boulevard, Baton Rouge, LA, up to and including April 6, 1983.

All interested persons will be afforded an opportunity to offer data, arguments, or testimony, orally or in writing, at the above hearing.

Bob Odom  
Commissioner

**Fiscal and Economic Impact Statement  
For Administrative Rules**

**Rule Title: Structural Pest Control**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO AGENCY - (Summary)

No estimated implementation costs (savings) to agency. Act 35, 1st Ex. Sess. of 1983, changes fees imposed on licensed pest control operators, but does not change any procedures or paperwork requirements.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS - (Summary)

An additional \$44,435 in self-generated revenues is anticipated for each fiscal year. The additional revenue results from:

- 1) An increase in place of business permits from \$50 to \$100 annually for firms employing 2 or less employees and from \$50 to \$150 annually for firms employing 3 or more employees
- 2) An increase in examination fees from \$25 to \$50
- 3) An increase in termite contract fees from \$4 per contract to \$4.50 per contract, offset by an exclusion for the first 10 contracts performed each fiscal year.

III. ESTIMATED COSTS AND BENEFITS TO AFFECTED GROUPS - (Summary)

Licensed structural pest control operators will pay all additional costs. The above fee increases were supported by the industry leadership.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT - (Summary)

No anticipated effect on competition or employment.

John Compton  
Deputy Commissioner

Mark C. Drennen  
Legislative Fiscal Officer

**NOTICE OF INTENT**

**Department of Commerce  
Office of Commerce and Industry**

The Louisiana Department of Commerce does hereby give notice in accordance with law that it intends to adopt a new Rule providing for the administration of R.S. 51:1781, et seq., the Enterprise Zone Program.

Copies of the proposed Rule may be obtained by telephoning the Department at 504/342-5398 or by writing to Box 44185, Baton Rouge, LA 70804.

The office will be open from 8 a.m. to 4:45 p.m. and interested persons may call Kevin Couhig during this time for a copy of this Rule.

All interested persons may submit written comments relative to this Rule through April 3, 1983.

Kevin Couhig, Director  
Division of Financial Incentives

**Fiscal and Economic Impact Statement  
For Administrative Rules  
Rule Title: Enterprise Zone**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO AGENCY - (Summary)

There are no estimated implementation costs or savings to the agency.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS - (Summary)

Since additional Rules will preclude consideration of certain types of applications, it is hoped that tax abatement will not be as high as without proposed Rules.

III. ESTIMATED COSTS AND BENEFITS TO AFFECTED GROUPS - (Summary)

Certain potential applicants would have to bear normal tax burden because of ineligibility for program under new Rules. Insufficient experience with program to give dollar estimate.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT - (Summary)

There is no estimated effect on competition and employment.

Kevin Couhig  
Director

Mark C. Drennen  
Legislative Fiscal Officer

**NOTICE OF INTENT**

**Board of Elementary and Secondary Education**

1. Standards, Methods of Implementation and Measures of Accountability for Chapter I, ECIA.

2. Migrant Education State Plan for fiscal year 1984.

3. Regulations for Statewide Inservice Education for Teachers for 1983-84 School Session. (also an Emergency Rule)

4. Amendment to Act 754 Regulations to include allotment and funding for Occupational and Physical Therapists under the Minimum Foundation Program.

5. The Board approved funding salary increments for ancillary personnel equivalent to increments for a specialist degree based on 60 graduate hours of a planned program.

Interested persons may comment on the proposed policy change and/or additions, in writing, until 4:30 p.m., April 4, 1983 at the following address: State Board of Elementary and Secondary Education, Box 44064, Capitol Station, Baton Rouge, LA 70804.

James V. Soileau  
Executive Director

**Fiscal and Economic Impact Statement  
For Administrative Rules**

**Rule Title: State Rules Chapter I ECIA**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO AGENCY - (Summary)

There will be no additional implementation costs to the agency.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS - (Summary)

There will be no effect on revenue collections.

III. ESTIMATED COSTS AND BENEFITS TO AFFECTED GROUPS - (Summary)

There will be no additional costs, and benefits derived will be the assistance to local educational agencies by clarifying requirements for compliance with mandates.