

Regular Session, 2003

HOUSE BILL NO. 370

BY REPRESENTATIVE FAUCHEUX

LOCAL FINANCE: (Constitutional Amendment) Authorizes local governments to provide capital from certain revenue sources for industrial development purposes

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 14(B) of the Constitution of Louisiana, to authorize a local government to provide capital from certain revenues for industrial development purposes; to provide prerequisites; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 14(B) of the Constitution of Louisiana, to read as follows:

§14. Donation, Loan, or Pledge of Public Credit

Section 14.

* * *

(B) Authorized Uses. Nothing in this Section shall prevent (1)

the use of public funds for programs of social welfare for the aid and

1 support of the needy; (2) contributions of public funds to pension and
2 insurance programs for the benefit of public employees; (3) the pledge
3 of public funds, credit, property, or things of value for public purposes
4 with respect to the issuance of bonds or other evidences of indebtedness
5 to meet public obligations as provided by law; (4) the return of
6 property, including mineral rights, to a former owner from whom the
7 property had previously been expropriated, or purchased under threat
8 of expropriation, when the legislature by law declares that the public
9 and necessary purpose which originally supported the expropriation has
10 ceased to exist and orders the return of the property to the former owner
11 under such terms and conditions as specified by the legislature; (5)
12 acquisition of stock by any institution of higher education in exchange
13 for any intellectual property; (6) the donation of abandoned or blighted
14 housing property by the governing authority of a municipality or a
15 parish to a nonprofit organization which is recognized by the Internal
16 Revenue Service as a 501(c)(3) or 501(c)(4) nonprofit organization and
17 which agrees to renovate and maintain such property until conveyance
18 of the property by such organization; (7) the deduction of any tax,
19 interest, penalty, or other charges forming the basis of tax liens on
20 blighted property so that they may be subordinated and waived in favor
21 of any purchaser who is not a member of the immediate family of the
22 blighted property owner or which is not any entity in which the owner
23 has a substantial economic interest, but only in connection with a
24 property renovation plan approved by an administrative hearing officer
25 appointed by the parish or municipal government where the property is
26 located; (8) the deduction of past due taxes, interest, and penalties in

1 favor of an owner of a blighted property, but only when the owner sells
2 the property at less than the appraised value to facilitate the blighted
3 property renovation plan approved by the parish or municipal
4 government and only after the renovation is completed such deduction
5 being canceled, null and void, and to no effect in the event ownership
6 of the property in the future reverts back to the owner or any member
7 of his immediate family; (9) the donation by the state of asphalt which
8 has been removed from state roads and highways to the governing
9 authority of the parish or municipality where the asphalt was removed,
10 or if not needed by such governing authority, then to any other parish
11 or municipal governing authority, but only pursuant to a cooperative
12 endeavor agreement between the state and the governing authority
13 receiving the donated property; ~~or~~ (10) the investment in stocks of a
14 portion of the Rockefeller Wildlife Refuge Trust and Protection Fund,
15 created under the provisions of R.S. 56:797, and the Russell Sage or
16 Marsh Island Refuge Fund, created under the provisions of R.S. 56:798,
17 such portion not to exceed thirty-five percent of each fund; or (11) the
18 providing of capital by a local governmental subdivision from tax
19 revenues dedicated to industrial or economic development or proceeds
20 of bonds secured by such revenues to a person, association, or
21 corporation which, by cooperative endeavor agreement and as full
22 consideration, agrees to locate or expand industrial enterprises within
23 the local governmental subdivision, provided such revenues or proceeds
24 are used exclusively for the acquisition or maintenance of real property,
25 plants, buildings, factories, works, facilities, machinery, and equipment,
26 a number of residents of the subdivision are employed as a result of

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Faucheux

HB No. 370

Abstract: Constitutional amendment to authorize a local government to provide capital to a nonpublic entity in exchange for industrial and economic development.

Present constitution prohibits the state or any political subdivision from loaning, pledging, or donating funds, credit, property, or things of value. Authorizes, for a public purpose, public entities to engage in cooperative endeavors with each other or with other public or private entities.

Proposed constitutional amendment provides for an exception to the prohibition on donations. Authorizes a city or parish to provide capital from tax revenues dedicated to industrial or economic development or proceeds of bonds secured by such revenues to a person, association, or corporation. Requires that the local government enter into a cooperative endeavor agreement with the beneficiary in which the beneficiary agrees to locate or expand industrial enterprises within the city or parish in exchange for receipt of such revenues. Further provides that such revenues can be used only for the acquisition or maintenance of real property, plants, buildings, factories, works, facilities, machinery, and equipment, that a specified number of local residents be employed as a result of such development, and that the cooperative endeavor agreement be subject to State Bond Commission approval.

Provides for submission of the proposed amendment to the voters at the gubernatorial primary election to be held in 2003.

(Amends Const. Art. VII, §14(B))