

Regular Session, 2003

SENATE BILL NO. 177

BY SENATOR HEITMEIER

BANKS/BANKING. Constitutional amendment to authorize public funds to be loaned or pledged by a state infrastructure bank to fund eligible infrastructure projects.

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 14(B) of the Constitution of
3 Louisiana, relative to public funds; to authorize public funds to be
4 loaned or pledged by a state infrastructure bank to fund eligible
5 infrastructure projects; to provide for submission of the proposed
6 amendment to the electors; and to provide for related matters.

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

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

13 Section 14.

14 * * *

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

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

1 located; (8) the deduction of past due taxes, interest, and penalties in
 2 favor of an owner of a blighted property, but only when the owner sells
 3 the property at less than the appraised value to facilitate the blighted
 4 property renovation plan approved by the parish or municipal
 5 government and only after the renovation is completed such deduction
 6 being canceled, null and void, and to no effect in the event ownership
 7 of the property in the future reverts back to the owner or any member
 8 of his immediate family; (9) the donation by the state of asphalt which
 9 has been removed from state roads and highways to the governing
 10 authority of the parish or municipality where the asphalt was removed,
 11 or if not needed by such governing authority, then to any other parish
 12 or municipal governing authority, but only pursuant to a cooperative
 13 endeavor agreement between the state and the governing authority
 14 receiving the donated property; ~~or~~ (10) the investment in stocks of a
 15 portion of the Rockefeller Wildlife Refuge Trust and Protection Fund,
 16 created under the provisions of R.S. 56:797, and the Russell Sage or
 17 Marsh Island Refuge Fund, created under the provisions of R.S. 56:798,
 18 such portion not to exceed thirty-five percent of each fund; **or (11) the**
 19 **loaning or pledging of public funds by a state infrastructure bank**
 20 **to fund eligible infrastructure projects.**

21 * * *

22 Section 2. Be it further resolved that this proposed amendment shall be
 23 submitted to the electors of the state of Louisiana at the gubernatorial primary
 24 election to be held in 2003.

25 Section 3. Be it further resolved that on the official ballot to be used at
 26 said election there shall be printed a proposition, upon which the electors of

1 the state shall be permitted to vote FOR or AGAINST, to amend the
2 Constitution of Louisiana, which proposition shall read as follows:

3 To authorize a state infrastructure bank to loan or pledge public
4 funds for infrastructure projects. (Amends Article VII, Section
5 14(B)).

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jeffery T. Oglesbee.

Heitmeier (SB 177)

DIGEST

Present constitution prohibits the state or any political subdivision from loaning, pledging, or donating any funds, credit, property, or things of value to any person, association, or corporation, public or private. Prohibits the state and any political subdivision from subscribing or purchasing the stock of a corporation or association or any private enterprise.

Present constitution provides that nothing in the present constitution shall prevent the following:

- (1) Use of public funds for programs of social welfare for the aid and support of the needy.
- (2) Contributions of public funds to pension and insurance programs for the benefit of public employees.
- (3) Pledge of public funds or things of value for public purposes with respect to debt to meet public obligations.
- (4) Return of property, including mineral rights, to former owners.
- (5) Acquisition of stock by any institution of higher education in exchange for any intellectual property.
- (6) Donation of abandoned or blighted housing property by a municipality or a parish to a nonprofit organization.
- (7) Deduction of certain taxes for blighted property to be renovated.
- (8) Deduction of past due taxes when the owner sells blighted property at less than the appraised value of the property.
- (9) Donation of asphalt removed from state roads and highways to the parish or municipal governing authority where the asphalt was removed, or if not needed by such governing authority to any other

parish or municipal governing authority, but only pursuant to a cooperative agreement.

- (10) Invest assets of the Rockefeller Wildlife Refuge Trust and Protection Fund and the Russell Sage or Marsh Island Refuge Fund.

Proposed constitutional amendment retains present constitution and adds that public funds may be loaned or pledged by a state infrastructure bank to fund eligible infrastructure projects.

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))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection and International Affairs to the original bill.

1. Deletes language which would have allowed public funds to be donated by a state infrastructure bank in order to fund eligible infrastructure projects.