

Regular Session, 1997

SENATE BILL NO. 215

BY SENATORS EWING AND LANDRY

TRANSPORTATION/DEV DEPT. Constitutional amendment to authorize the use of public funds through state infrastructure banks which are created to secure federal participation to fund capital improvement projects.

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 14(B) of the Constitution of  
3 Louisiana, to authorize the use of public funds through state  
4 infrastructure banks; and to specify an election for submission of the  
5 proposition to electors and provide a ballot proposition.

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

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

12 \* \* \*

13 (B) Authorized Uses. Nothing in this Section shall prevent  
14 (1) the use of public funds for programs of social welfare for the aid  
15 and support of the needy; (2) contributions of public funds to pension  
16 and insurance programs for the benefit of public employees; (3) the

1 pledge of public funds, credit, property, or things of value for public  
 2 purposes with respect to the issuance of bonds or other evidences of  
 3 indebtedness to meet public obligations as provided by law; (4) the  
 4 return of property, including mineral rights, to a former owner from  
 5 whom the property had previously been expropriated, or purchased  
 6 under threat of expropriation, when the legislature by law declares that  
 7 the public and necessary purpose which originally supported the  
 8 expropriation has ceased to exist and orders the return of the property  
 9 to the former owner under such terms and conditions as specified by  
 10 the legislature; (5) acquisition of stock by any institution of higher  
 11 education in exchange for any intellectual property; ~~or~~ (6) the donation  
 12 of abandoned or blighted housing property by the governing authority  
 13 of a municipality or a parish to a nonprofit organization which is  
 14 recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4)  
 15 nonprofit organization and which agrees to renovate and maintain such  
 16 property until conveyance of the property by such organization; ~~or~~ (7)  
 17 **the loan, pledge, or use of public funds, including Article VII,**  
 18 **Section 27 funds, by a state infrastructure bank created to secure**  
 19 **federal participation to fund capital improvement projects,**  
 20 **provided that Transportation Trust Fund money loaned, pledged,**  
 21 **or used by the state infrastructure bank and any earnings from such**  
 22 **money shall remain Transportation Trust Fund money on deposit**  
 23 **in trust with the state infrastructure bank.**

24 \* \* \*

25 Section 2. Be it further resolved that this proposed amendment shall be  
 26 submitted to the electors of the state at the congressional primary election to  
 27 be held in 1998.

1           Section 3. Be it further resolved that on the official ballot to be used  
 2           at the election there shall be printed a proposition, upon which the electors of  
 3           the state shall be permitted to vote FOR or AGAINST, to amend the  
 4           Constitution of Louisiana, which proposition shall read as follows:

5                        To authorize the use of public funds through state infrastructure  
 6                        banks created to secure federal participation to fund capital  
 7                        improvement projects. (Amends Article VII, Section 14(B)).

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Peggy Russell.

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Ewing (SB 215)

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 such prohibitions shall not prevent:

- (1) The 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) The pledge of funds or other things of value for public purposes with respect to debt to meet public obligations as provided by law.
- (4) The return of property to a former owner from whom the property had previously been expropriated, or purchased under threat of expropriation, when the legislature by law declares that the public and necessary purpose which originally supported the expropriation has ceased to exist and order the return of the property.
- (5) Acquisition of stock by any institution of higher education in exchange for any intellectual property.
- (6) The donation of abandoned or blighted housing property by the governing authority of a municipality or parish to a nonprofit organization which is recognized by the IRS as a 501(c)(3) or 501(c)(4) nonprofit organization and which agrees to renovate and maintain such property until it conveys the property.

Proposed constitutional amendment adds that public funds may be used through state infrastructure banks to secure federal participation for capital improvement projects, provided that Transportation Trust Fund money used in such bank remains TTF money.

Provides for submission of the proposed amendment to the voters at the congressional general election in 1998.

(Amends Const. Art. VII, Sec. 14(B))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Transportation, Highways and Public Works to the original bill.

1. Specifies that the bank must be created to secure federal participation to fund capital improvement projects.
2. Provides that Transportation Trust Fund money used by the bank and earnings thereon remains in the fund.