



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 240** SRS 01- 867
 Bill Text Version: **ENGROSSED**
 Opp Chamb Action:
 Sub Bill For:
 Proposed Amd:

Date: May 2, 2001 10:58 AM	Author: ELLINGTON
Dept/Agy: Treasury	Analyst: Gordon Monk
Subject: Donation for Economic Development	

FUNDS/FUNDING EG INCREASE GF EX See Note

Constitutional amendment to authorize the donation, loan, or pledge of public credit for purposes of economic development. (2/3-CA13s1(A))

The constitution prohibits the loan, pledge, or donation of funds, credit, property, or things of value of the state or a political subdivision except as provided in a list of eleven exceptions. This proposed amendment, to be voted on at the statewide election to be held on November 5, 2002, will add another exception to this prohibition by authorizing the use of public funds, credit, property, or things of value of the state or any political subdivision for economic development activities as specified by the Legislature.

The amendment further authorizes the State Treasurer to invest a portion of the Medicaid Trust Fund for the Elderly in stocks.

EXPENDITURES	2001-02	2002-03	2003-04	2004-05	2005-06	5 YEAR TOTAL
State General Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Stat. Deds./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2001-02	2002-03	2003-04	2004-05	2005-06	5 YEAR TOTAL
State General Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Stat. Deds./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION:

State and local expenditures will likely increase to the extent that public funds, credit, property, or things of value are donated, loaned or pledged for economic development purposes currently prohibited by the constitution. The proposed amendment allows the legislature to specify such economic development activities. The proposed constitutional amendment does not reference any legislative instrument introduced during the 2001 Regular Session.

The proposed constitutional amendment further authorizes the State Treasurer to invest up to 35% of the Medicaid Trust Fund for the Elderly (created under the provisions of R.S. 46:2691) in stocks. SB 508 is the statutory instrument which provides for the investment of these funds.

REVENUE EXPLANATION:

There is no anticipated direct effect on governmental revenues as a result of this measure.

Dual Referral Rules

Senate

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

House

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease per year

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CHIEF ECONOMIST