

First Extraordinary Session, 2000

HOUSE BILL NO. 9

BY REPRESENTATIVE FAUCHEUX

LOCAL FINANCE: (Constitutional Amendment) Authorizes local governments to donate certain revenues for industrial development purposes (Item No. 87)

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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 loan, pledge, or donate certain revenues for industrial development purposes; to provide prerequisites for such a loan, pledge, or donation; 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

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

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

1 endeavor for this purpose, but the agreement is subject to approval by  
2 the State Bond Commission.

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4 Section 2. Be it further resolved that this proposed amendment shall be  
5 submitted to the electors of the state of Louisiana at the statewide election to  
6 be held on November 7, 2000.

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

11 To authorize local governments to loan, pledge, or donate  
12 certain revenues dedicated to economic or industrial  
13 development to persons, associations, or corporations which  
14 agree to locate or expand industrial operations in the area and  
15 agree to hire a certain minimum number of local residents.

16 (Amends Article VII, Section 14(B))

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DIGEST

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

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Faucheux HB No. 9

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 loan, pledge, or donate  
tax revenues dedicated to industrial or economic development or proceeds of  
bonds secured by such revenues. Requires that the local government enter into  
a cooperative endeavor agreement with the beneficiary of the loan, donation,  
or pledge in which the beneficiary agrees to locate or expand industrial

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enterprises within the city or parish and to hire a minimum number of local residents as specified in the agreement. Authorizes a local government to enter a cooperative endeavor for this purpose subject to Bond Commission approval of the agreement.

Provides for submission of the proposed amendment to the voters at the statewide election to be held on November 7, 2000.

(Amends Const. Art. VII, §14(B))