

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 370 by Representative Fauchaux

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

Synopsis of Senate Amendments

1. Changes requirement that revenues or bond proceeds be used only for acquisition or maintenance of real property, plants, buildings, factories, works, facilities, machinery, and equipment and provides instead that revenues or bond proceeds be used only for acquisition or maintenance of immovable property and the title is not transferred from the owner(s) of the immovable property at the time the cooperative endeavor agreement is entered into.

Digest of Bill as Finally Passed by Senate

Abstract: Constitutional amendment to authorize a parish or municipality to provide capital to a person, association, or corporation in exchange for industrial and economic development, subject to certain conditions.

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 municipality 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 person, association, or corporation in which such beneficiary agrees to locate or expand industrial enterprises within the municipality or parish in exchange for receipt of such revenues. Further provides that such revenues can be used only for the acquisition or maintenance of immovable property, that the title is not transferred from the owner(s) of the immovable property at the time the cooperative endeavor agreement is entered into, that a number of residents of the municipality or parish are employed as a result of such development, and that the cooperative endeavor agreement is approved by the State Bond Commission.

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))