

CONFERENCE COMMITTEE REPORT DIGEST

House Bill No. 370 by Representative Faucheux

Digest of Bill as Finally Passed by the House

Faucheux

HB No. 370

Abstract: Constitutional amendment to authorize a local government to provide capital to a nonpublic entity in exchange for industrial and economic development.

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 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 beneficiary in which the beneficiary agrees to locate or expand industrial enterprises within the city or parish in exchange for receipt of such revenues. Further provides that such revenues can be used only for the acquisition or maintenance of real property, plants, buildings, factories, works, facilities, machinery, and equipment, that a specified number of local residents be employed as a result of such development, and that the cooperative endeavor agreement be subject to State Bond Commission approval.

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 the Senate

Senate Floor Amendments to the Reengrossed Bill.

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 Proposed by Conference Committee

Abstract: Constitutional amendment to authorize a local government to use certain revenues to acquire immovable property and to maintain such property or other property of the local government and to grant use of such property or other property of the local

governmental subdivision to a person, association, or corporation for such purposes in exchange for industrial and economic development, subject to certain limitations.

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 local governmental subdivision (municipality or parish) to use tax revenues dedicated to industrial or economic development or proceeds from bonds secured by such revenues for the acquisition of immovable property or for maintenance of such property or other immovable property of the subdivision, or the granting of the use of such property or any other immovable property of the local governmental subdivision to a person, association, or corporation that, by cooperative endeavor agreement, agrees to locate or expand industrial enterprises within the subdivision. Requires that the consideration to be provided for use of such property shall be of any such amount or nature as is provided in the agreement and requires that a number of residents of the subdivision are employed as a result of such development as specified in the agreement and that the agreement is approved by the State Bond Commission. Defines "immovable property" (for purposes of proposed constitutional amendment) as tracts of land with their component parts.