
DIGEST

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

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))