

Regular Session, 2001

HOUSE BILL NO. 508

BY REPRESENTATIVE DANIEL

FUNDS/INVESTMENTS: (Constitutional Amendment) Authorizes institutions of higher education or their management boards to invest certain of their funds in stocks

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 14(B) of the Constitution of Louisiana, to authorize the investment in stocks of certain funds of institutions of higher education or their management boards; 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 support of the needy; (2) contributions of public funds to pension and

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

1 property, but only when the owner sells the property at less than the
2 appraised value to facilitate the blighted property renovation plan
3 approved by the parish or municipal government and only after the
4 renovation is completed such deduction being canceled, null and void,
5 and to no effect in the event ownership of the property in the future
6 reverts back to the owner or any member of his immediate family; (9)
7 the donation by the state of asphalt which has been removed from state
8 roads and highways to the governing authority of the parish or
9 municipality where the asphalt was removed, or if not needed by such
10 governing authority, then to any other parish or municipal governing
11 authority, but only pursuant to a cooperative endeavor agreement
12 between the state and the governing authority receiving the donated
13 property; ~~or~~ (10) the investment in stocks of a portion of the
14 Rockefeller Wildlife Refuge Trust and Protection Fund, created under
15 the provisions of R.S. 56:797, and the Russell Sage or Marsh Island
16 Refuge Fund, created under the provisions of R.S. 56:798, such portion
17 not to exceed thirty-five percent of each fund; ~~or (11) the investment~~
18 in stocks by institutions of higher education or their respective
19 management boards of a portion of the aggregate funds in the
20 possession of an institution or board not to exceed sixty-five percent of
21 such funds, which are derived from gifts and grants, funds functioning
22 as endowments, or other permanent funds.

23 * * *

24 Section 2. Be it further resolved that this proposed amendment shall be
25 submitted to the electors of the state of Louisiana at the statewide election to
26 be held on November 5, 2002.

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

5 To authorize the institutions of higher education or their
 6 management boards to invest in stocks up to sixty-five percent
 7 of certain funds received from gifts and grants, endowments,
 8 and other funds. (Amends Article VII, Section 14(B))

DIGEST

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

Daniel

HB No. 508

Abstract: Authorizes institutions of higher education or their management boards to invest in stocks up to 65% of funds received from gifts and grants, funds functioning as endowments, or other permanent funds.

Present constitution generally prohibits the investment of state or local funds in stocks with certain specific exceptions.

Proposed constitutional amendment authorizes higher education institutions or their respective management boards to invest in stocks a portion of certain funds derived from gifts and grants, funds functioning as endowments, or other permanent funds, provided that the amount to be invested in stocks may not exceed 65% of the aggregate of all such funds.

Provides for submission of the proposed amendment to the voters at the statewide election on November 5, 2002.

(Amends Const. Art. VII, §14(B))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Limits stock investment of higher education institution or board funds to 65% of the aggregate of such funds available for investment.