

Regular Session, 2001

SENATE BILL NO. 240

BY SENATOR ELLINGTON

FUNDS/FUNDING. Constitutional amendment to authorize the donation, loan, or pledge of public credit for purposes of economic development. (2/3-CA13s1(A))

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 14(B) of the Constitution of  
3 Louisiana, relative to the prohibited use of funds, credit, property or  
4 things of value of the state or political subdivisions; to provide  
5 exceptions for purposes of economic development; and to specify an  
6 election for submission of the proposition to electors and provide a  
7 ballot proposition.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of  
9 the members elected to each house concurring, that there shall be submitted  
10 to the electors of the state, for their approval or rejection in the manner  
11 provided by law, a proposal to amend Article VII, Section 14(B) of the  
12 Constitution of Louisiana, to read as follows:

13 §14. Donation, Loan, or Pledge of Public Credit

14 Section 14. \* \* \*

15 (B) Authorized Uses. Nothing in this Section shall prevent (1)  
16 the use of public funds for programs of social welfare for the aid and

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 of  
14 abandoned or blighted housing property by the governing authority of  
15 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  
27 taxes, interest and penalties in favor of an owner of a blighted property,

1 but only when the owner sells the property at less than the appraised  
2 value to facilitate the blighted property renovation plan approved by the  
3 parish or municipal government and only after the renovation is  
4 completed such deduction being canceled, null and void, and to no  
5 effect in the event ownership of the property in the future reverts back  
6 to the owner or any member of his immediate family; (9) the donation  
7 by the state of asphalt which has been removed from state roads and  
8 highways to the governing authority of the parish or municipality where  
9 the asphalt was removed, or if not needed by such governing authority,  
10 then to any other parish or municipal governing authority, but only  
11 pursuant to a cooperative endeavor agreement between the state and the  
12 governing authority receiving the donated property; ~~or~~ (10) the  
13 investment in stocks of a portion of the Rockefeller Wildlife Refuge  
14 Trust and Protection Fund, created under the provisions of R.S. 56:797,  
15 and the Russell Sage or Marsh Island Refuge Fund, created under the  
16 provisions of R.S. 56:798, such portion not to exceed thirty-five  
17 percent of each fund; **or (11) the use of public funds, credit,**  
18 **property, or things of value of the state or of any political**  
19 **subdivision for economic development activities as specified by the**  
20 **legislature.**

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

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

1 To authorize the use of public funds, credit, property, or things  
2 of value of the state or of any political subdivision for economic  
3 development activities as specified by law. (Amends Article VII,  
4 Section 14(B))

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Thomas L. Tyler.

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DIGEST

Present constitution prohibits the loan, pledge, or donation of funds, credit, property, or things of value of the state or a political subdivision except as specifically provided in the constitution.

Proposed constitutional amendment adds another exception to this prohibition and authorizes the use of public funds, credit, property, or things of value of the state or of any political subdivision for economic development activities as may be specified by law.

Specifies submission of the amendment to the voters at the statewide election to be held on November 5, 2002.

(Amends Const. Art. VII, Sec. 14(B))