

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))

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 14(B) of the Constitution of Louisiana, relative to the prohibited use of funds, credit, property or things of value of the state or political subdivisions; to provide exceptions for purposes of economic development and for purposes of investment of a portion of the Medicaid Trust Fund for the Elderly; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

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, 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)

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

1 taxes, interest and penalties in favor of an owner of a blighted property,
 2 but only when the owner sells the property at less than the appraised
 3 value to facilitate the blighted property renovation plan approved by the
 4 parish or municipal government and only after the renovation is
 5 completed such deduction being canceled, null and void, and to no
 6 effect in the event ownership of the property in the future reverts back
 7 to the owner or any member of his immediate family; (9) the donation
 8 by the state of asphalt which has been removed from state roads and
 9 highways to the governing authority of the parish or municipality where
 10 the asphalt was removed, or if not needed by such governing authority,
 11 then to any other parish or municipal governing authority, but only
 12 pursuant to a cooperative endeavor agreement between the state and the
 13 governing authority receiving the donated property; ~~or~~ (10) the
 14 investment in stocks of a portion of the Rockefeller Wildlife Refuge
 15 Trust and Protection Fund, created under the provisions of R.S. 56:797,
 16 and the Russell Sage or Marsh Island Refuge Fund, created under the
 17 provisions of R.S. 56:798, such portion not to exceed thirty-five
 18 percent of each fund; **(11) the use of public funds, credit, property,**
 19 **or things of value of the state or of any political subdivision for**
 20 **economic development activities as specified by law; or (12) the**
 21 **investment in stocks of a portion of the Medicaid Trust Fund for the**
 22 **Elderly created under the provisions of R.S. 46:2691 et seq., such**
 23 **portion not to exceed thirty-five percent of the fund.**

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

1 Section 3. Be it further resolved that on the official ballot to be used
2 at the election there shall be printed a proposition, upon which the electors of
3 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 use of public funds, credit, property, or things
6 of value of the state or of any political subdivision for economic
7 development activities as specified by law and to authorize the
8 investment in stocks of a portion of the Medicaid Trust Fund for
9 the Elderly. (Amends Article VII, Section 14(B))

The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Sherry Phillips-Hymel.

Ellington (SB 240)

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.

Proposed constitutional amendment authorizes the treasurer to invest the Medicaid Trust Fund for the Elderly in Securities.

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))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill.

1. Authorizes the Treasurer to invest the Medicaid Trust Fund for the Elderly in securities.