

2021 Regular Session

HOUSE BILL NO. 154

BY REPRESENTATIVE ZERINGUE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

FUNDS/INVESTMENTS: (Constitutional Amendment) Provides relative to the maximum amount of monies in certain funds that may be invested in stocks

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A JOINT RESOLUTION

Proposing to amend Article VII, Sections 10.1(B), 10.8(B), 10.11(D), and 14(B) of the Constitution of Louisiana, to modify the maximum amount of monies in certain state funds that may be invested in equities; 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, Sections 10.1(B), 10.8(B), 10.11(D), and 14(B) of the Constitution of Louisiana, to read as follows:

§10.1. Quality Trust Fund; Education

* * *

(B) Investment. The money credited to the Permanent Trust Fund pursuant to Paragraph (A) of this Section shall be permanently credited to the Permanent Trust Fund and shall be invested by the treasurer. Notwithstanding any provision of this constitution or other law to the contrary, a portion of money in the Permanent Trust Fund, not to exceed ~~thirty-five~~ sixty-five percent, may be invested in stock. The legislature shall provide for procedures for the investment of such monies by law. The treasurer shall contract, subject to the approval of the State Bond Commission, for the management of such investments. The amounts in the Support Fund shall be

1 available for appropriation to pay expenses incurred in the investment and
2 management of the Permanent Trust Fund and for educational purposes only as
3 provided in Paragraphs (C) and (D) of this Section.

4 * * *

5 §10.8. Millennium Trust

6 * * *

7 (B) Investment. Monies credited to the Millennium Trust pursuant to
8 Paragraph (A) of this Section shall be invested by the treasurer with the same
9 authority and subject to the same restrictions as the Louisiana Education Quality
10 Trust Fund. ~~However, the portion of monies in the Millennium Trust which may be~~
11 ~~invested in stock may be increased to no more than fifty percent by a specific~~
12 ~~legislative instrument which receives a favorable vote of two-thirds of the elected~~
13 ~~members of each house of the legislature.~~ The legislature shall provide for
14 procedures for the investment of such monies by law. The treasurer may contract,
15 subject to the approval of the State Bond Commission, for the management of such
16 investments and, if a contract is entered into, amounts necessary to pay the costs of
17 the contract shall be appropriated from the Millennium Trust.

18 * * *

19 §10.11. Artificial Reef Development Fund

20 * * *

21 (D) All unexpended and unencumbered monies in the Artificial Reef
22 Development Fund at the end of the fiscal year shall remain in the fund. The monies
23 in the fund shall be invested by the treasurer in the manner provided by law.
24 Notwithstanding any provision of this constitution to the contrary, a portion of
25 money in the fund, not to exceed sixty-five percent, may be invested in stock. All
26 interest earned on monies invested by the treasurer shall be deposited in the fund.
27 The treasurer shall prepare and submit to the department on a quarterly basis a
28 written report showing the amount of money contained in the fund from all sources.

29 * * *

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

2 * * *

3 (B) Authorized Uses. Nothing in this Section shall prevent (1) the use of
4 public funds for programs of social welfare for the aid and support of the needy; (2)
5 contributions of public funds to pension and insurance programs for the benefit of
6 public employees; (3) the pledge of public funds, credit, property, or things of value
7 for public purposes with respect to the issuance of bonds or other evidences of
8 indebtedness to meet public obligations as provided by law; (4) the return of
9 property, including mineral rights, to a former owner from whom the property had
10 previously been expropriated, or purchased under threat of expropriation, when the
11 legislature by law declares that the public and necessary purpose which originally
12 supported the expropriation has ceased to exist and orders the return of the property
13 to the former owner under such terms and conditions as specified by the legislature;
14 (5) acquisition of stock by any institution of higher education in exchange for any
15 intellectual property; (6) the donation of abandoned or blighted housing property by
16 the governing authority of a municipality or a parish to a nonprofit organization
17 which is 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 property until
19 conveyance of the property by such organization; (7) the deduction of any tax,
20 interest, penalty, or other charges forming the basis of tax liens on blighted property
21 so that they may be subordinated and waived in favor of any purchaser who is not
22 a member of the immediate family of the blighted property owner or which is not
23 any entity in which the owner has a substantial economic interest, but only in
24 connection with a property renovation plan approved by an administrative hearing
25 officer appointed by the parish or municipal government where the property is
26 located; (8) the deduction of past due taxes, interest, and penalties in favor of an
27 owner of a blighted property, but only when the owner sells the property at less than
28 the appraised value to facilitate the blighted property renovation plan approved by
29 the parish or municipal government and only after the renovation is completed such

1 deduction being canceled, null and void, and to no effect in the event ownership of
 2 the property in the future reverts back to the owner or any member of his immediate
 3 family; (9) the donation by the state of asphalt which has been removed from state
 4 roads and highways to the governing authority of the parish or municipality where
 5 the asphalt was removed, or if not needed by such governing authority, then to any
 6 other parish or municipal governing authority, but only pursuant to a cooperative
 7 endeavor agreement between the state and the governing authority receiving the
 8 donated property; (10) the investment in stocks of a portion of the Rockefeller
 9 Wildlife Refuge Trust and Protection Fund, created under the provisions of R.S.
 10 56:797, ~~and~~ the Russell Sage or Marsh Island Refuge Fund, created under the
 11 provisions of R.S. 56:798, and the Lifetime License Endowment Trust Fund, created
 12 under the provisions of R.S. 56:649, such portion not to exceed ~~thirty-five~~ sixty-five
 13 percent of each fund; (11) the investment in stocks of a portion of the state-funded
 14 permanently endowed funds of a public or private college or university, not to
 15 exceed thirty-five percent of the public funds endowed; (12) the investment in
 16 equities of a portion of the Medicaid Trust Fund for the Elderly created under the
 17 provisions of R.S. 46:2691 et seq., such portion not to exceed ~~thirty-five~~ sixty-five
 18 percent of the fund; (13) the investment of public funds to capitalize a state
 19 infrastructure bank and the loan, pledge, or guarantee of public funds by a state
 20 infrastructure bank solely for transportation projects; or (14) pursuant to a written
 21 agreement, the donation of the use of public equipment and personnel by a political
 22 subdivision upon request to another political subdivision for an activity or function
 23 the requesting political subdivision is authorized to exercise.

24 * * *

25 Section 2. Be it further resolved that this proposed amendment shall be submitted
 26 to the electors of the state of Louisiana at the statewide election to be held on November 8,
 27 2022.

28 Section 3. Be it further resolved that on the official ballot to be used at the election,
 29 there shall be printed a proposition, upon which the electors of the state shall be permitted

1 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
2 follows:

3 Do you support an amendment to increase to 65% the cap on the amount of
4 monies in certain state funds that may be invested in stocks? (Amends Article
5 VII, Sections 10.1(B), 10.8(B), 10.11(D), and 14(B))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 154 Engrossed

2021 Regular Session

Zeringue

Abstract: Provides for the maximum amount of monies in certain state funds that may be invested in equities.

Present constitution (Article VII, Section 10.1) creates the La. Education Quality Trust Fund and provides for funding thereof and use of monies in the fund. Provides that monies credited to the La. Education Quality Trust Fund pursuant to present constitution shall be invested by the treasurer.

Present constitution authorizes the treasurer to invest a maximum of 35% of monies in the La. Education Quality Trust Fund in equities.

Present constitution (Article VII, Section 10.8) creates the Millennium Trust and provides for funding thereof and use of the monies in the Trust. Further, ties the treasurer's investment authority for monies in the Millennium Trust to the authority granted for the La. Education Quality Trust Fund.

Proposed constitution increases the maximum amount of La. Education Quality Trust Fund monies that may be invested in equities from 35% to 65%. Otherwise retains present constitution.

Present constitution authorizes the legislature to increase to 50% the maximum amount of monies in the Millennium Trust that may be invested in equities through passage of a specific legislative instrument that receives the favorable vote of two-thirds of the members of each house. Proposed constitution repeals this provision.

Present constitution (Article VII, Section 10.11) creates the Artificial Reef Development Fund and provides for funding thereof and use of the monies in the Fund.

Present constitution authorizes the treasurer to invest monies in the fund. Proposed constitution authorizes a maximum of 65% of monies in the fund to be invested in equities. Otherwise retains present constitution.

Present constitution (Article VII, Section 14) generally prohibits the funds, credit, property, or things of value of the state or its political subdivisions from being loaned, pledged, or donated. Further prohibits the state or any of its political subdivisions from purchasing stock. Further provides exceptions to this general rule.

Present constitution provides an exception (Article VII, Section 14(B)(10)) to authorize funds in the Rockefeller Wildlife Refuge Trust and Protection Fund (R.S. 56:797) and the

Russell Sage or Marsh Island Refuge Fund (R.S. 56:798) to be invested in equities. Proposed constitution additionally authorizes monies in the Lifetime License Endowment Trust Fund (R.S. 56:649) to be invested in equities.

Present constitution prohibits more than 35% of the monies in the Rockefeller and Russell Sage Funds from being invested in stock. Proposed constitution increases this cap from 35% to 65%. Further authorizes a maximum of 65% of monies in the Lifetime License Endowment Trust Fund to be invested in equities. Otherwise retains present constitution.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Article VII, §§10.1(B), 10.8(B), 10.11(D), and 14(B))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Adds the Artificial Reef Development Fund and the Lifetime License Endowment Trust Fund to the list of funds for which the treasurer may invest up to 65% of fund monies in equities.
2. Removes the Millennium Leverage Fund from proposed law.