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

Section 14.(A) Prohibited Uses. Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. Except as otherwise provided in this Section, neither the state nor a political subdivision shall subscribe to or purchase the stock of a corporation or association or for any private enterprise.

(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 insurance programs for the benefit of public employees; (3) the pledge of public funds, credit, property, or things of value for public purposes with respect to the issuance of bonds or other evidences of indebtedness to meet public obligations as provided by law; (4) the return of property, including mineral rights, to a former owner from whom the property had previously been expropriated, or purchased under threat of expropriation, when the legislature by law declares that the public and necessary purpose which originally supported the expropriation has ceased to exist and orders the return of the property to the former owner under such terms and conditions as specified by the legislature; (5) acquisition of stock by any institution of higher education in exchange for any intellectual property; (6) the donation of abandoned or blighted housing property by the governing authority of a municipality or a parish to a nonprofit organization which is recognized by the Internal Revenue Service as a 501(c)(3) or 501(c)(4) nonprofit organization and which agrees to renovate and maintain such property until conveyance of the property by such organization; (7) the deduction of any tax, interest, penalty, or other charges forming the basis of tax liens on blighted property so that they may be subordinated and waived in favor of any purchaser who is not a member of the immediate family of the blighted property owner or which is not any entity in which the owner has a substantial economic interest, but only in connection with a property renovation plan approved by an administrative hearing officer appointed by the parish or municipal government where the property is located; (8) the deduction of past due taxes, interest, and penalties in favor of an owner of a blighted property, but only when the owner sells the property at less than the appraised value to facilitate the blighted property renovation plan approved by the parish or municipal government and only after the renovation is completed such deduction being canceled, null and void, and to no effect in the event ownership of the property in the future reverts back to the owner or any member of his immediate family; (9) the donation by the state of asphalt which has been removed from state roads and highways to the governing authority of the parish or municipality where the asphalt was removed, or if not needed by such governing authority, then to any other parish or municipal governing authority, but only pursuant to a cooperative endeavor agreement between the state and the governing authority receiving the donated property; (10) the investment in stocks of a portion of the Rockefeller Wildlife Refuge Trust and Protection Fund, created under the provisions of R.S. 56:797, and the Russell Sage or Marsh Island Refuge Fund, created under the provisions of R.S. 56:798, such portion not to exceed thirty-five percent of each fund; (11) the investment in stocks of a portion of the state-funded permanently endowed funds of a public or private college or university, not to exceed thirty-five percent of the public funds endowed; (12) the investment in equities of a portion of the Medicaid Trust Fund for the Elderly created under the provisions of R.S. 46:2691 et seq., such portion not to exceed thirty-five percent of the fund; (13) the investment of public funds to capitalize a state infrastructure bank and the loan, pledge, or guarantee of public funds by a state infrastructure bank solely for transportation projects; (14) pursuant to a written agreement, the donation of the use of public equipment and personnel by a political subdivision upon request to another political subdivision for an activity or function the requesting political subdivision is authorized to exercise; or (15) a political subdivision from waiving charges for water if the charges are the result of water lost due to damage to the water delivery infrastructure and that damage is not the result of any act or failure to act by the customer being charged for the water.

(C) Cooperative Endeavors. For a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual.

(D) Prior Obligations. Funds, credit, property, or things of value of the state or of a political subdivision heretofore loaned, pledged, dedicated, or granted by prior state law or authorized to be loaned,

pledged, dedicated, or granted by the prior laws and constitution of this state shall so remain for the full term as provided by the prior laws and constitution and for the full term as provided by any contract, unless the authorization is revoked by law enacted by two-thirds of the elected members of each house of the legislature prior to the vesting of any contractual rights pursuant to this Section.

(E) Surplus Property. Nothing in this Section shall prevent the donation or exchange of movable surplus property between or among political subdivisions whose functions include public safety.

Amended by Acts 1983, No. 729, §1, approved Oct. 22, 1983, eff. Nov. 23, 1983; Acts 1990, No. 1099, §1, approved Oct. 6, 1990, eff. Nov. 8, 1990; Acts 1995, No. 1320, §1, approved Oct. 21, 1995, eff. Nov. 23, 1995; Acts 1996, 1st Ex. Sess., No. 97, §1, approved Nov. 5, 1996, eff. Dec. 11, 1996; Acts 1998, No. 75, §1, approved Oct. 3, 1998, eff. Nov. 5, 1998; Acts 1999, No. 1395, §1, approved Oct. 23, 1999, eff. Nov. 25, 1999; Acts 1999, No. 1396, §1, approved Oct. 23, 1999, eff. Nov. 25, 1999; Acts 1999, No. 1402, §1, approved Nov. 20, 1999, eff. Dec. 27, 1999; Acts 2006, No. 856, §1, approved Sept. 30, 2006, eff. Oct. 31, 2006; Acts 2006, No. 857, §1, approved Sept. 30, 2006, eff. Oct. 31, 2006; Acts 2015, No. 471, §1, approved Oct. 24, 2015, eff. Nov. 25, 2015; Acts 2018, No. 717, approved Nov. 6, 2018, eff. Dec. 12, 2018; Acts 2021, No. 155, §1, approved Nov. 8, 2022, eff. Dec. 13, 2022.