Louisiana Transportation Infrastructure Amendment (2014)

Title of Ballot Measure: Constitutional Amendment 4

Type: House Bill 628 “Investment of Public Funds”

Election Cycle: November 4, 2014

Status of Amendment: Failed

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Summary of Legislation

The Louisiana Transportation Infrastructure Amendment was proposed in the state legislature as House Bill 628 on February 27, 2014 by Representative Karen Gaudet St. Germain (D-District 60) and cosponsored by Senator Francis Thompson (D-District 34). HB 628 would permit legislators to create a state infrastructure bank with public funds already being collected, from which local or parish governments could apply for low-interest loans to fund qualifying transportation projects.

Louisiana requires a two-thirds majority vote in both houses before a constitutional amendment can be placed before voters. In both the House and the Senate, HB 628 passed with all in favor and none opposed.

The House first passed HB 628 on May 12, 2014 with 95 in favor and none opposed. The Senate amended the bill before approving it on May 30, 2014, with 34 in favor and none opposed. HB 628 was then returned to the House, where it was passed with all 93 representatives in favor June 1, 2014.
Ballot Language

Do you support an amendment to authorize the investment of public funds to capitalize a state infrastructure bank and the loan, pledge, guarantee, or donation of public funds by a state infrastructure bank for eligible transportation projects? (Amends Article VII, Section 14(B))

Proposed Constitutional Amendment

HB 628/Constitutional Amendment 4 would have amended Article VII, Section 14(B) of the Constitution of Louisiana (changes shown as underlined):

[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 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; or (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.; or (13) the investment of public funds to capitalize a state infrastructure bank and the loan, pledge, guarantee, or donation of public funds by a state infrastructure bank for eligible transportation projects.

Supporters

Arguments:

“No-new-taxes” way to prioritize necessary transportation projects within the state: The Louisiana Transportation Infrastructure Amendment was viewed as a way to prioritize and improve the state’s transportation infrastructure in a way that would meet the approval of Governor Jindal, who had opposed tax increase proposals in the past.

Infrastructure banks successfully operate in many other states throughout the country.

Key Players:

“4 For the Roads”

Campaign Members:

- Louisiana Good Roads and Transportation Association
- Louisiana Associated General Contractors
- American Council of Engineering Companies of Louisiana
- Concrete and Aggregates Association of Louisiana
- Louisiana Section of the American Society of Civil Engineers
- Louisiana Engineering Society
- Ports Association of Louisiana
- Louisiana Asphalt Pavement Association
- Interstate 49 International Coalition
- Council for A Better Louisiana

Endorsements for Amendment 4:
“This would allow the state to invest public funds into a state “infrastructure bank” if it were to be created and allow it to loan money for authorized transportation projects. We stand behind this first step in creating a new tool for the state to better address its infrastructure needs.”

Louisiana Progress Action:

“Our View: Vote YES- Louisiana has a massive backlog in infrastructure projects and some of the lowest quality highway conditions in the country. Our state needs innovative solutions to its infrastructure problem, and the Louisiana Transportation Infrastructure Bank could be a good move in the right direction. The Bank would loan money for transportation projects to local governments to be repaid with interest.

While this amendment would not actually create the Louisiana Transportation Infrastructure Bank, it would be a concrete step towards its creation. The amendment authorizes the funding mechanism for the bank, but the Legislature would need to take further action to bring this concept to life. This constitutional amendment would make their task less difficult moving forward.”

Council for a Better Louisiana:
“A measure to actually create a Louisiana infrastructure bank passed the Legislature without opposition last session. But there was a caveat. To take effect that legislation required that this amendment and another one that set up a funding stream to capitalize the bank must both be approved by voters. That other amendment ultimately failed to pass, but Amendment 4 survives. Based on the votes on this whole issue of an infrastructure bank, there is clearly a strong legislative interest in creating an infrastructure bank. This is only one piece of that puzzle and, though its passage has no direct impact on anything now, it’s a first step towards putting that concept in place. Louisiana needs as many tools as it can come up with to address our transportation needs. This is just one of them and we support its passage. SUPPORT”

Central Louisiana Chamber of Commerce:

“The Louisiana section of the American Society of Civil Engineers (ASCE) and the Concrete and Aggregates Association of Louisiana (CAAL) have pledged their support Constitutional Amendment 4. The ballot measure - which does not raise taxes or fees - gives the elected state treasurer the authority to invest public funds into a state infrastructure bank. The bank, which the Louisiana Legislature will create in the next session, then can offer low-interest loans to local and parish governments that want to finance transportation improvement projects in their communities. The Chamber supports Amendment 4 will result in additional funding to address the back log of infrastructure projects.”

Opponents

Arguments:

Without laws to protect the bank, funds may not be used properly.

The bank and its financing process had not yet been determined. Before approval, laws should be passed to create and fund the infrastructure bank.

Opposition:

Rolfe Mccollister, Greater Baton Rouge Business Report:

“This one puts the cart before the horse. It allows for the investing of state funds into the Louisiana Transportation Infrastructure Bank—which doesn’t exist. The package of bills supporting this idea failed to establish the bank, but one, HB 628, passed, which became Amendment 4. Maybe the package had merit, but as it stands, No. 4 makes no sense.”

Tea Party of Lousiana:

“Investment of Public Funds. Provides for the expansion of government by creating a new agency that would cost $300,000 – 400,000 per year to operate, and provide a new vehicle for corruption and misuse of Tax payer funds.
NO. Another “Crony Capitalism” amendment together with the expansion of government!!!

The Advocate:

“The amendment is a case of putting the cart before the horse. The amendment empowers the state Treasury to invest in a bank that would presumably function as a revolving loan fund that local governments could use for road improvements. But the bank has not yet been created by law. We believe voters are better served by seeing the whole package on this proposal.”

Why did it fail?

Lack of Time.

HB 628 was introduced to the legislature with just over eight months until the General Election. It was approved with only five months until the ballot measure would be voted on. Lack of time may have impacted the campaign’s scope.

Governor did not champion the amendment.

Governor Jindal did not make any statements regarding HB 628 or Amendment 4. Previous case studies have shown the governor’s support for a proposal does not necessarily ensure the passage of a transportation funding measure, but it does tend to improve the political feasibility of the plan.

Lack of confidence in leadership.

Ken Perret stated in an interview with The Times-Picayune November 13, “People in Louisiana has a mistrust of government. We’re paying for the sins of the past where funds were not used properly,” Perret added.

Ballot was perceived by the public as confusing.

Amendment 4 approved funds for the creation of an infrastructure bank that did not currently exist. The source of funding and how the bank would grant loans had not been decided. According to UNO political scientist Ed Chervenak, Ph.D., this could be confusing to voters.

Ken Perret concurred with this belief in the November 13 interview. “I think [the proposed amendment] was misunderstood by the public. The general public didn't understand what we were trying to accomplish.”
Breakdown of Legislative Votes for a Constitutionally-Protected Transportation Fund

Senate (Passed May 30, 2014 with 34 Ayes and 0 Noes)

Senators Who Voted in Favor of HB 628:

- Sen. Mr. President ()
- Sen. Dale M. Erdey (R-District 13)
- Sen. Jonathan "J.P." Perry (R-District 26)
- Sen. Robert Adley (R-District 36)
- Sen. Rick Gallot (D-District 29)
- Sen. Karen Carter Peterson (D-District 5)
- Sen. R.L. "Bret" Allain (R-District 21)
- Sen. David Heitmeier (D-District 7)
- Sen. Neil Riser (R-District 32)
- Sen. "Jody" Amedee (R-District 18)
- Sen. Ronnie Johns (R-District 27)
- Sen. Gary L Smith (D-District 19)
- Sen. Conrad Appel (R-District 9)
- Sen. Gerald Long (R-District 31)
- Sen. John R. Smith (R-District 30)
- Sen. Sharon Weston Broome (D-District 15)
- Sen. Daniel "Danny" Martiny (R-District 10)
- Sen. Gregory Tarver (D-District 39)
- Sen. Troy E. Brown (D-District 2)
- Sen. Fred H. Mills, Jr. (R-District 22)
- Sen. Francis Thompson (D-District 34)
- Sen. Sherri Smith Buffington (R-District 38)
- Sen. Jean-Paul J. Morrell (D-District 3)
- Sen. Mike Walsworth (R-District 33)
- Sen. Norbèrt N. "Norby" Chabert (R-District 20)
- Sen. Dan "Blade" Morrish (R-District 25)
- Sen. Rick Ward, III (R-District 17)
- Sen. A.G. Crowe (R-District 1)
- Sen. Edwin R. Murray (D-District 4)
- Sen. Mack "Bodi" White (R-District 6)
- Sen. Jack Donahue (R-District 11)
- Sen. Ben Nevers (D-District 12)
- Sen. Yvonne Dorsey-Colomb (D-District 14)
- Sen. Barrow Peacock (R-District 37)

House (Passed June 1, 2014 with 93 Ayes and 0 Noes)

Representatives Who Voted In Favor of HB 628:

- Rep. Neil C. Abramson (D-District 98)
- Rep. Brett F. Geymann (R-District 35)
- Rep. Sherman Q. Mack (R-District 95)
- Rep. Bryan Adams (R-District 85)
- Rep. Jerry Gisclair (D-District 54)
- Rep. Gregory A. Miller (R-District 56)
- Rep. Hunter Greene (R-District 66)
- Rep. Helena Moreno (D-District 93)
- Rep. Jeffery J Arnold (D-District 102)
- Rep. Mickey J. Guillory (D-District 41)
- Rep. John C. Morris, III (R-District 14)
- Rep. Austin J Badon, Jr. (D-District 100)
- Rep. John E. Guinn (R-District 37)
- Rep. James Morris (R-District 1)
• Rep. Taylor F. Barras (R-District 48)
• Rep. Joe Harrison (R-District 51)
• Rep. Barbara M. Norton (D-District 3)
• Rep. Regina Barrow (D-District 29)
• Rep. Kenneth E. Havard (R-District 62)
• Rep. Stephen J. Ortego (D-District 39)
• Rep. John A. Berthelot (R-District 88)
• Rep. Lowell C. Hazel (R-District 27)
• Rep. J. Kevin Pearson (R-District 76)
• Rep. Robert E. Billiot (D-District 83)
• Rep. Carmen Henry (R-District 82)
• Rep. Vincent J. Pierre (D-District 44)
• Rep. Stuart J. Bishop (R-District 43)
• Rep. Bob Hensgens (R-District 47)
• Rep. Erich E. Ponti (R-District 69)
• Rep. Wesley T. Bishop (D-District 99)
• Rep. Dorothy Sue Hill (D-District 32)
• Rep. Edward J. Price (D-District 58)
• Rep. Christopher Broadwater (R-District 86)
• Rep. Valarie Hodges (R-District 64)
• Rep. Stephen E. Pugh (R-District 73)
• Rep. Terry R. Brown (I-District 22)
• Rep. Frank A. Hoffmann (R-District 15)
• Rep. Eugene Reynolds (D-District 10)
• Rep. Richard T. Burford (R-District 7)
• Rep. Paul Hollis (R-District 104)
• Rep. Jerome "Dee" Richard (I-District 55)
• Rep. Henry L. Burns (R-District 9)
• Rep. Dalton W. Honoré (D-District 63)
• Rep. Harold L Ritchie (D-District 75)
• Rep. Timothy G. Burns (R-District 89)
• Rep. Frank A. Howard (R-District 24)
• Rep. Clay Schexnayder (R-District 81)
• Rep. Roy Burrell (D-District 2)
• Rep. Marcus L. Hunter (D-District 17)
• Rep. John M. Schroder, Sr. (R-District 77)
• Rep. Thomas Carmody, Jr. (R-District 6)
• Rep. Mike Huval (R-District 46)
• Rep. Alan Seabaugh (R-District 5)
• Rep. Stephen F. Carter (R-District 68)
• Rep. Barry Ivey (R-District 65)
• Rep. Robert E. Shadoin (R-District 12)
• Rep. Simone B. Champagne (R-District 49)
• Rep. Edward C. James, II (D-District 101)
• Rep. Scott M. Simon (R-District 74)
• Rep. Charles R. Chaney (R-District 19)
• Rep. Patrick O. Jefferson (D-District 11)
• Rep. Patricia Haynes Smith (D-District 67)
• Rep. Kenny R. Cox (D-District 23)
• Rep. Robert A. Johnson (D-District 28)
• Rep. Karen Gaudet St. Germain (D-District 60)
• Rep. Gregory Cromer (R-District 90)
• Rep. Sam Jones (D-District 50)
• Rep. Julie Stokes (R-District 79)
• Rep. Michael E. Danahay (D-District 33)
• Rep. Eddie J. Lambert (R-District 59)
• Rep. Kirk Talbot (R-District 78)
• Rep. Gordon E Dove, Sr. (R-District 52)
• Rep. Nancy Landry (R-District 31)
• Rep. Major Thibaut (D-District 18)
• Rep. John Bel Edwards (D-District 72)
• Rep. Terry Landry, Sr. (D-District 96)
• Rep. Ledricka Thierry (D-District 40)
• Rep. James "Jim" R Fannin (R-District 13)
• Rep. H. Bernard LeBas (D-District 38)
• Rep. Lenar L. Whitney (R-District 53)
• Rep. Franklin J. Foil (R-District 70)
• Rep. Walt Leger III (D-District 91)
• Rep. Alfred C. Williams (D-District 61)
• Rep. A B Franklin (D-District 34)
• Rep. Christopher J. Leopold (R-District 105)
• Rep. Patrick Williams (D-District 4)
• Rep. Randal L. Gaines (D-District 57)
• Rep. Joseph P. Lopinto, III (R-District 80)
• Rep. Thomas P. Willmott (R-District 92)
• Rep. Raymond E. Garofalo, Jr. (R-District 103)
• Rep. Nick Lorusso (R-District 94)
• Rep. Ebony Woodruff (D-District 87)
i Regular Session, 2014, HOUSE BILL NO. 628: BY REPRESENTATIVE ST. GERMAIN AND SENATOR THOMPSON
http://www.webcitation.org/6QlTvTDqMF

ii “4 For the Roads”: Vote Yes on Amendment 4 on Nov. 4 http://www.louisianagoodroads.org/4theroads.html

iii “Our take on the proposed amendments” October 24 2014.
http://www.shreveporttimes.com/story/opinion/2014/10/24/take-proposed-amendments/17840641/

iv “RECOMMENDATIONS ON THE 2014 CONSTITUTIONAL AMENDMENTS”

v “CABL Recommendations on 2014 Constitutional Amendments”
http://www.cabl.org/pdfs/Constitutional_Amendments.pdf

vi “CONSTITUTIONAL AMENDMENTS FOR CONSIDERATION”
http://www.cenlachamber.org/Portals/2/Constitutional%20Amendments%20for%20Consideration.pdf

vii “Infrastructure bank failure shows public doesn’t trust state to spend wisely, transportation insiders say” November 13 2014.


http://www.teapartyoflouisiana.net/component/content/article/383-tpol-2014-amendments-voter-guide

x “PROPOSED STATE CONSTITUTIONAL AMENDMENTS” November 4 2014.

xi “Infrastructure bank failure shows public doesn’t trust state to spend wisely, transportation insiders say” November 13 2014.

xii “Amendment asks voters to consider fund that doesn’t exist” October 28 2014.
http://raycomgroup.worldnow.com/story/27147009/amendment-asks-voters-to-consider-fund-that-doesnt-exist

xiii “Infrastructure bank failure shows public doesn’t trust state to spend wisely, transportation insiders say” November 13 2014.