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## **BGR REPORTS...**

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### **Building a Trust Takes Time**

Any entity receiving the billions of federal dollars designated for rebuilding southern Louisiana will wield tremendous power and dramatically influence the future of the region and the state. The entity's budget will dwarf that of the local governments, and its investment and development decisions could change the face of communities for generations to come. This is not a matter to be taken lightly.

Yesterday the Louisiana Senate passed SB 49, which would create such an entity. The Louisiana Housing and Land Trust, as it would be known, is charged with "the economic stabilization and redevelopment of areas within Louisiana that were devastated or significantly distressed by Hurricane Katrina or Hurricane Rita." Its jurisdiction extends to all 32 parishes designated for individual assistance by FEMA as a result of the hurricanes.

The bill in its current form spells out the board composition in detail and provides generally for power to carry out its purposes. It authorizes the trust to receive funds from the federal and state governments and nongovernmental entities, and requires the trust to allocate such funds among the parishes in proportion to the total amount of property damage and the number of displaced residents. Otherwise, it provides no direction on the use of funds. Nor does it identify the types of activities in which the trust would engage. Provisions addressing those critical areas were stripped out of an earlier version, and rightfully so since they were poorly confected. The current version calls for the adoption of a plan of operation, which would require multiple approvals, including approval by resolution by a majority of the members of the House and Senate.

It is clear that the Legislature has not had adequate time to address the many issues surrounding the land trust. Matters such as its relationship to local government entities and their laws, allocation formulas for buy-outs and other compensation programs, the scope of development activities and powers, contracting procedures, and ethics rules all deserve thoughtful analysis and consideration. There is simply not enough time left in the Special Session to do the subject justice.

By punting on many of the essential issues, the Senate has implicitly recognized the complexity of the subject matter and the need for more carefully crafted legislation. We hope that the House, when it considers the bill tomorrow, will do likewise and refrain from inadequately vetted changes. Rushed amendments are likely to do more damage than good.

BGR urges the Legislature to revisit the land trust issue in the Regular Session, comprehensively overhauling whatever legislation passes in the Special Session or beginning from scratch. Study of the matter should start now.

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