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## **BGR MEDIA RELEASE**

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### ***On the Ballot* Examines Propositions on Hurricane Protection, Expropriation, and Other Issues**

The Bureau of Governmental Research today releases *On the Ballot*, an analysis of proposed constitutional amendments of particular significance to the New Orleans region. The report covers amendments that will go before voters on September 30. BGR will later issue a report covering those on the November 7 ballot.

In *On the Ballot*, BGR analyzes and takes a position on amendments in four broad areas: coastal restoration and flood/hurricane protection, expropriation, property taxation, and unfunded state mandates. A brief description of the amendments and BGR's positions are listed below.

*Coastal Restoration.* Amendments Nos. 1 and 2 would expand potential financing sources for, and refocus governance on, an integrated approach to coastal restoration and hurricane protection. Amendment No. 3 would empower the Legislature to establish regional levee boards and activate companion legislation creating two regional boards in the New Orleans metropolitan area. Amendment No. 4 would make fair market value the compensation standard for property taken for or damaged by hurricane protection projects.

*Expropriation.* Amendment No. 5 would prohibit the State or its political subdivisions from taking property for "predominant use" by, or transfer to, any private person or entity, except for certain industrial and port projects; define the public purposes for which property can be taken; prohibit consideration of economic development, tax enhancement and incidental benefits in determining a public purpose; and expand the compensation payable in most takings. Amendment No. 6 would govern the disposition of expropriated property. Among other things, it would generally prohibit the state and local governments from transferring property without first offering it to the original owner.

*Taxation.* Constitutional Amendment No. 8 would allow owners of disaster-damaged homes to retain for up to five years the homestead exemption and the assessment freeze to which some homeowners 65 and over are entitled. Amendment No. 11 would make all types of trusts eligible for the homestead exemption.

*Unfunded Mandates.* Constitutional Amendment No. 9 would provide some limits on the ability of the State Legislature to impose unfunded mandates on school systems.

Five of the amendments attempt to address causes and deal with consequences of the disaster that befell the southeastern Louisiana a year ago. BGR is very concerned that another – the amendment limiting the state’s expropriation power – will create new obstacles to recovery from that disaster by seriously impeding the ability of the state and local governments to deal with blight.

After researching and analyzing the issues, BGR is taking the following positions:

- ***Constitutional Amendment No. 1: Coastal Protection and Restoration Fund***  
**FOR.** The coordinated approach of the Coastal Protection and Restoration Authority presents an opportunity to integrate plans for hurricane protection and coastal restoration. If done wisely, this approach could make more effective use of state and federal investment than pursuing each objective separately.
- ***Constitutional Amendment No. 2: Tobacco Settlement Proceeds for Coastal Restoration***  
**FOR.** The proposed amendment, along with Amendment No. 1, would solidify the Coastal Protection and Restoration Fund as the primary state fund dedicated to coastal protection projects. It would also pave the way for the State to make significant contributions to the fund to match new federal allocations.
- ***Constitutional Amendment No. 3: Levee Board Consolidation***  
**FOR.** Although the companion legislation proposes a bifurcated structure in the New Orleans area, greater regional governance of the fragmented levee district system would help ensure a more coordinated, comprehensive defense against hurricanes. Professional dominance on the boards of the regional authorities would increase their effectiveness.
- ***Constitutional Amendment No. 4: Compensation for Property Affected by Hurricane Protection***  
**FOR.** Financing hurricane protection projects is critical to the future of southern Louisiana and the state as a whole. The federal standard of compensation is reasonable for this vital area of public safety and welfare.
- ***Constitutional Amendment No. 5: Limiting the Power of Expropriation***  
**AGAINST.** The proposed constitutional amendment is clumsily drafted and is likely to create an array of difficulties in an arena in which Louisiana has no history of problems. While other states might have the luxury of experimenting with their eminent domain

guidelines, Louisiana does not. This state faces daunting post-Katrina redevelopment challenges, and it would ill-serve citizens to tamper with some of Louisiana's basic redevelopment powers. It would particularly ill-serve Louisiana to emboss those tamperings on the pages of the state Constitution, where any new malfunctions would be hard to fix, and where any new wrongs would be hard to right.

- ***Constitutional Amendment No. 6: Transfer of Expropriated Property***  
**AGAINST.** The amendment would unnecessarily complicate blight remediation.
- ***Constitutional Amendment No. 8: Allowing Owners of Damaged Homes to Retain Homestead Exemption, Special Assessment***  
**AGAINST.** While assisting homeowners working to rebuild their homes is a worthy goal, the proposed amendment is not the solution. The exemption and assessment freeze would apply for too long a period of time. In addition, it would be virtually impossible to determine whether a homeowner satisfied eligibility requirements.
- ***Constitutional Amendment No. 9: Limiting State Mandates for School Systems***  
**FOR.** While the amendment is of limited use, it would provide some needed protection against further imposition of fiscal mandates on local school systems.
- ***Constitutional Amendment No. 11: Homestead Exemption, Revocable Trusts***  
**AGAINST.** As BGR has stated before, the homestead exemption should be eliminated or applied restrictively on a needs basis; expanding coverage is a move in the wrong direction.

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BGR is a private, non-profit, independent research organization dedicated to informed public policy making and the effective use of public resources for the improvement of government in the New Orleans metropolitan area. BGR also addresses state and national public policy issues that affect the metropolitan area.