

February 3, 2004
OPINION NUMBER 04-0005

Mr. John Warner Smith, Secretary
Louisiana Department of Labor
P. O. Box 94094
Baton Rouge, Louisiana 70804-9094

90-A-2 PUBLIC FUNDS – Loan, Pledge
or Grant
La. Const. Art. VII, Sec. 14

Louisiana Department of Labor's use of federal
funds in accordance with federal standards or
guidelines does not violate La. Const. Art. VII,
Sec. 14.

Dear Secretary Smith:

This correspondence is in response to your request for an opinion of this office regarding the Louisiana Department of Labor's use of federal Wagner-Peyser funds to purchase memberships in local chambers of commerce. According to your correspondence, the Legislative Auditor's Office has cited your department for this practice, and has asserted that same is contrary to the legal principles asserted in Attorney General's Opinion No. 92-204.

Opinion No. 92-204 determined that the hospital service district's purchase of memberships in the local chamber of commerce, on behalf of the hospital and its contract physician, violated La. Const. Art. VII, Sec. 14. As I am sure you are aware, La. Const. Art. VII, Sec. 14 generally prohibits the loan, pledge or donation of "*the funds, credit, property, or things of value of the state or of any political subdivision* to or for any person, association, or corporation, public or private" (emphasis added).

Please be advised that it is the opinion of this office that the Louisiana Department of Labor's use of federal funds, in accordance with federal standards or guidelines, does not violate La. Const. Art. VII, Sec. 14, for the reason that funds derived from the federal government (and used in accordance with federal law) are not "the funds...of the state or of any political subdivision". Funds received from the federal government are the funds of the United States. In accord: Attorney General's Opinions Nos. 02-0279; 02-003; 00-141 and 92-659. Pertinently, Attorney General's Opinion No. 02-0279 states:

La. Const. Art. VII, Sec. 14 does not prohibit the state from utilizing federal funds in accordance with federal law, regulation and guidelines, even if the funds (or property purchased with those funds) are loaned, pledged or donated to others."

We trust the foregoing adequately responds to your request. Should you require further assistance, please do not hesitate to contact this office.

Yours very truly,

CHARLES C. FOTI, JR.
Attorney General

BY: _____
JEANNE-MARIE ZERINGUE BARHAM
Assistant Attorney General

CCF, jr./JMZB/dam

xc: Grover C. Austin
Office of the Legislative Auditor

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Syllabus

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Date Received:

Date Released: February 3, 2004

Jeanne-Marie Zeringue Barham
Assistant Attorney General