



LIZ MURRILL
ATTORNEY GENERAL

STATE OF LOUISIANA
DEPARTMENT OF JUSTICE
OFFICE OF THE ATTORNEY GENERAL
P.O. BOX 94005
BATON ROUGE, LA
70804-9005

June 17, 2025
OPINION 24-0163

Mr. Leonard McCollum, Jr.
President - Seabrook Neighborhood
Improvement & Security District
5819 Arts Street
New Orleans, LA 70122

90-A-1 – PUBLIC FUNDS

La. Const. art. VII, §14
La. R.S. 33:9091.16

No public purpose exists for members of the Seabrook Neighborhood Improvement and Security District to attend planned social functions that do not align with the District's legislative purpose. Therefore, such an expenditure would violate La. Const. art. VII, §14(A) as a prohibited donation of public funds.

Dear Mr. McCollum:

You have requested an opinion from this office regarding the expenditure of public funds by the Seabrook Neighborhood Improvement and Security District ("District"). The District is a political subdivision of the state and was legislatively established under La. R.S. 33:9091.16.

Question

May the Seabrook Neighborhood Improvement and Security District expend public funds for members of the District to attend a planned social function for the purpose of the overall betterment of the District?

Conclusion

No. Because no public purpose exists for members of the District to attend planned social functions that do not align with the District's legislatively-created purpose, such an expenditure would violate La. Const. art. VII, §14(A) as a prohibited donation of public funds.

Analysis

All questions concerning the use of public funds must be examined in light of La. Const. art. VII, §14(A), which provides that "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." The Louisiana Supreme Court has held that a *prohibited donation* occurs "when public funds or property are gratuitously alienated." *Board of Directors of the Industrial Development Board of the City of Gonzales, Louisiana, Inc. v. All Taxpayers, Property Owners, Citizens of the City of Gonzales, et al.*, 2005-2298 (La. 9/6/06), 938 So.2d 11. ("*Cabela's*").

In light of the *Cabela's* case, it has consistently been the opinion of this office that in order for an expenditure or transfer of public funds to be constitutionally permissible, the public entity must have the legal authority to make the expenditure and must show: (i) a public purpose for the expenditure or transfer that comports with the governmental purpose the public entity has the legal authority to pursue; (ii) that the expenditure or transfer, taken as a whole, does not appear to be gratuitous; and (iii) that the public entity has a demonstrable, objective, and reasonable expectation of receiving something real and substantial in exchange for the expenditure or transfer of public funds. The *Cabela's* standard places a strong emphasis on the reciprocal obligations between parties to ensure that there is no a gratuitous donation of public funds.

According to your request and subsequent clarification provided to our office, the District asks whether it may expend public funds for members to attend social functions, such as sporting events or productions at local theaters, including providing transportation and other related travel expenses. While we can appreciate the desire to foster camaraderie amongst members of the District, we do not believe expending public funds in this manner is constitutionally permissible for the following reasons.

The District is established under La. R.S. 33:909.16 “for the primary object and purpose of promoting and encouraging the beautification, security, and overall betterment of the district.” However, as there does not appear to be a direct connection between the attendance of the members at the events described and the overall betterment of the District, we are unable to find that a public purpose exists for such expenditures. Further, we have not been provided with any details that would suggest the District would receive something “real and substantial” in exchange for the funds expended in connection with these social functions. Therefore, such an expenditure would likely be considered gratuitous and a prohibited donation of public funds.

The following previously issued opinions may provide further assistance. Attorney General Opinion 08-0328 addressed whether the City of Monroe could expend public funds on strictly social gatherings for city employees. The stated purpose of such gatherings was to allow city employees to interact in a social setting to build camaraderie, morale, and team spirit. The City of Monroe stated that at most of the gatherings, city business would be discussed and a presentation would be made concerning issues relating to city business. However, our office still opined that a true public purpose for expending funds for such gatherings did not exist, and that the City failed to show that it would receive something real and substantial in return for “hosting” these social gatherings. Similar to your request, the benefit return on the expenditure of public funds for the City of Monroe was social camaraderie amongst its employees. While it’s virtually certain that members of the District who would attend such proposed social functions would benefit from an increased sense of community and likely develop new bonds or friendships, it does not appear that attendance at such functions would enhance the beautification, security, or overall betterment of the *District*.

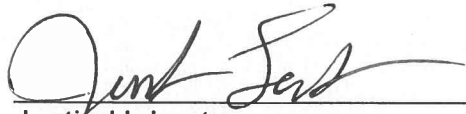
In contrast, Attorney General Opinion 12-0180 found that the Cullen Police Department could permissibly expend public funds in connection with hosting a "National Night Out Against Crime" event. The purpose of the event was to raise awareness for crime and drug prevention, generate support for and participation in anti-crime activities, strengthen police-community partnerships, and send a message to criminals that neighborhoods are organized and fighting back. We determined that such a function furthered the goals and obligations of the police department by encouraging engagement in crime prevention activities and drug education. However, the Cullen Police Department was responsible for effectively demonstrating that it had a reasonable expectation of receiving something real and substantial in exchange for the expenditure of public funds for the "National Night Out Against Crime" event.

Considering the foregoing, it is the opinion of this office that no public purpose exists for the Seabrook Neighborhood Improvement and Security District to expend public funds for members of the District to attend planned social functions that do not align with the District's legislatively-created purpose.

We trust this adequately responds to your request. However, if our office can be of further assistance, please do not hesitate to contact us.

Yours very truly,

LIZ MURRILL
ATTORNEY GENERAL

BY: 
Justin H. Lester
Assistant Attorney General

LM/JHL