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## DIGEST

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HB 583 Original

2020 Regular Session

Mincey

**Abstract:** Requires a public trust which has a parish, municipality, or other political subdivision as its beneficiary to obtain the approval of the parish or municipal governing authority in whose geographic boundaries the public trust is carrying out a public function or purpose if any portion of the authorized public function or purpose is located outside the geographic boundaries of the beneficiary.

Present law authorizes the creation of trusts to issue obligations and to provide funds for the furtherance of any authorized public function or purpose of the state or of any parish, municipality, or other political subdivision or any other governmental unit in the state. Further authorizes a trust to issue obligations to accomplish any authorized public function or purpose of the beneficiary.

Present law defines authorized public functions or purposes of the state and of any parish, municipality, or other political subdivision to include but not be limited to hospital, medical, health, nursery care, nursing care, clinical, ambulance, laboratory, and related services and facilities, housing mortgage finance and related services, activities, facilities, and properties, and educational services and facilities and related housing and dormitory services and facilities.

Present law provides that all public trusts shall constitute public corporations of the beneficiary and shall have the powers and duties of corporations, including the power to incur debt and issue bonds subject to limitations in present law. Further provides that all bonds shall be the sole obligations of the trust and not of the state or the beneficiary. The bonds and the income from the bonds shall be exempt from all state and local taxation.

Present law authorizes the public trust to require the lessee of each of the projects of the public trust to annually pay to parish, municipal, or other taxing authorities a sum in lieu of ad valorem taxes to compensate authorities for any services rendered by them for these projects. Present law limits the amount of the payment in lieu of taxes from exceeding the ad valorem taxes the lessee would have been obligated to pay had it been the owner of the project during the period for which the payment is made. Requires the beneficiary of the public trust to approve, by resolution of the parish, municipality, or other political subdivision prior to the provisions of present law becoming effective.

Proposed law retains present law but adds a requirement that a public trust which has a parish, municipality, or other political subdivision as its beneficiary shall be required to obtain the approval, by resolution, of the parish or municipal governing authority in whose geographic boundaries the public trust is carrying out a public function or purpose prior to commencing the undertaking of the function or purpose if any portion of the authorized public function or purpose is located outside the

geographic boundaries of the beneficiary.

(Amends R.S. 9:2347(M))