

2020 Regular Session

HOUSE BILL NO. 583

BY REPRESENTATIVE MINCEY

TRUSTS/PUBLIC: Requires certain public trusts to obtain approval of a parish or municipal governing authority under certain circumstances prior to undertaking an authorized public function or purpose

1 AN ACT

2 To amend and reenact R.S. 9:2347(M), relative to public trusts; to provide with respect to
3 the approval of certain authorized public functions or purposes; to require the
4 approval of certain governing authorities under certain circumstances; to provide for
5 certain requirements; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 9:2347(M) is hereby amended and reenacted to read as follows:

8 §2347. Bonds of public trust

9 * * *

10 M.(1) The property of any public trust, having as its beneficiary a parish,
11 municipality, or a political or governmental subdivision thereof which is authorized
12 under its trust indenture to engage in or issue bonds to finance projects for
13 substantially all of the public purposes set forth in R.S. 9:2341(B)(1), acquired or
14 held for one or more of said purposes, is hereby declared to be public property used
15 for essential public and governmental purposes. Accordingly, such public trust, and
16 all of its properties at any time owned by it and the income therefrom and all bonds
17 issued by it and the income therefrom, shall be exempt from all taxes of the parish
18 or municipality, the state, or any political subdivision thereof or any other taxing
19 body, provided, however, that such public trust may require the lessee of each of the

1 projects of the public trust to pay annually to parish or municipal taxing authorities
 2 or to any other taxing body, through the normal collecting agency, a sum in lieu of
 3 ad valorem taxes to compensate such authorities for any services rendered by them
 4 to such projects, which sum shall not be in excess of the ad valorem taxes such lessee
 5 would have been obligated to pay to such authorities had it been the owner of such
 6 project during the period for which such payment is made. Such payments to be
 7 made in lieu of taxes together with any fees and charges of such public trust, to the
 8 extent in the aggregate they do not exceed the amount of taxes that would be paid if
 9 the lessee were the owner, shall constitute statutory impositions within the meaning
 10 of R.S. 47:2128. No provision of this Subsection shall become effective until
 11 approved by resolution of the parish, municipality, or a political or governmental
 12 subdivision thereof which is the beneficiary of such public trust.

13 (2) A public trust which has as its beneficiary a parish, municipality, or a
 14 political or governmental subdivision thereof shall be required to obtain the approval
 15 by resolution of the parish or municipal governing authority in whose geographic
 16 boundaries the public trust is carrying out a public function or purpose as provided
 17 for in R.S. 9:2341(B), prior to commencing the undertaking of such function or
 18 purpose if any portion of the authorized public function or purpose of the trust is
 19 located outside the geographic boundaries of the beneficiary.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 583 Engrossed

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))