
DIGEST

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HB No. 706

Abstract: Provides relative to cooperative endeavor agreements that contemplate the lease of a property.

Present law provides that the state through the commissioner of administration may enter into cooperative endeavor agreements with political subdivisions, the U.S. or its agencies, or with any public or private association, corporation, or individual to achieve a public purpose, including but not limited to enhancing or maintaining the economic well-being of the state, which agreement may contemplate the issuance of bonds.

Present law (C.C. Art. 2679) provides with respect to the limits of contractual freedom in fixing the term. Provides that the duration of a term may not exceed 99 years. If the lease provides for a longer term or contains an option to extend the term to more than 99 years, the term shall be reduced to 99 years. Further provides that, if the terms duration depends solely on the will of the lessor or the lessee and the parties have not agreed on a maximum duration, the duration is determined in accordance with present law (C.C. Art. 2680).

Proposed law provides that, notwithstanding the provisions of present law (C.C. Art. 2679), should the cooperative endeavor agreement contemplate the lease of a property, the commissioner of administration may authorize a lease renewal or right of first refusal to renew the lease under substantially the same terms and conditions as the previous lease, for such periods of time as the commissioner reasonably determines are in the best interests of the state. Otherwise retains present law.

(Amends R.S. 33:9029(C) and (D); Adds R.S. 33:9029.2(E))