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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Ben Huxen.

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DIGEST

SB 447 Engrossed

2016 Regular Session

Appel

Present law regarding public benefit corporations provides that whenever a public benefit corporation formed by the city of New Orleans or Orleans Parish, through its chief executive officer for the purposes of owning, leasing, developing, and operating properties owned by the public benefit corporation or the political subdivision, leases any property owned by the public benefit corporation or the political subdivision, such public benefit corporation shall not be required to advertise for and receive bids as hereinafter provided for in this Part for other leases. Such leases entered into shall provide for a fair and equitable return of revenue to the public benefit corporation or political subdivision.

Proposed law eliminates present law and provides that a public benefit corporation that meets the requirements of R.S. 41:1215(B) is not required to advertise for and receive bids for other leases. Leases must comply with the provisions of R.S. 41:1215(C), and shall be subject to the provisions of R.S. 41:1215(B) through (F).

Present law provides that political subdivisions must have a beneficial interest in a public benefit corporation while indebtedness issued by the corporation to finance the acquisition, construction or improvement of property remains outstanding and must obtain full legal title to the property of the corporation with respect to which the indebtedness was incurred upon retirement of such indebtedness. Proposed law eliminates present law regarding indebtedness.

Proposed law further modifies the criteria for letting leases.

Proposed law further provides the procedure for any person or other entity who challenges, seeks to nullify, or seeks to enjoin a lease or sublease of immovable property owned, leased or controlled by a public benefit corporation including the giving of certain security.

Proposed law further provides for terms of lease, including that in the city of New Orleans a lease or sublease shall be for a period not exceeding 99 years and shall provide for a rental payable in cash in a lump sum or installments.

Proposed law provides that it shall be applicable to leases entered into by public benefit corporations after the effective date of this Act, and to claims, suits or appeals pending on the effective date or filed on or after the effective date.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 41:1212(G) and 1215(B); adds R.S. 41:1215(D), (E), and (F))