

## RÉSUMÉ DIGEST

ACT 516 (SB 447)

2016 Regular Session

Appel

Prior law, regarding public benefit corporations, provided 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 provided in prior law. Such leases entered into shall provide for a fair and equitable return of revenue to the public benefit corporation or political subdivision.

New law eliminates prior law and provides that a public benefit corporation that meets the requirements of prior law and new law is not required to advertise for and receive bids for other leases. Leases must comply with the provisions of prior law, and shall be subject to the provisions of prior law and new law.

New law provides that fair and reasonable criteria shall be applied by the public benefit corporation with respect to negotiating and letting such leases and subleases.

New law provides that, in addition to other factors, the public benefit corporation shall consider the highest return of revenue and benefits to the political subdivision.

Prior law provided 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. New law eliminates prior law regarding indebtedness.

New law further provides the procedures 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.

New law provides that actions for a temporary restraining order or preliminary injunction shall be required to furnish security as required by C.C.P. Art. 3601, et seq.

New law provides that in any suit or appeal to challenge, nullify, or enjoin a lease or sublease of immovable property owned, leased, or controlled by a public benefit corporation, trial on the merits in the district court shall be set within 60 days of the filing of the suit and shall be given preference over all other matters on the court's calendar, and provides that the district court shall render a final judgment not more than 20 days after the conclusion of the trial.

New law provides that an appeal may be taken within 10 days of the rendition of the final judgment of the district court and shall be returnable to the appropriate appellate court not more than 30 days from the rendition of the final judgment.

New law further provides that the appeal shall be heard with the greatest possible expedition and no later than 30 days from the return day of the appeal, and that the appellate court shall render its ruling on the merits within 60 days of the return day of the appeal.

New 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.

New law provides that it shall be applicable to leases entered into by public benefit corporations after the effective date of new law, 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 (June 16, 2016).

(Amends R.S. 41:1212(G) and 1215(B)(1), (2), (3), (4), (5), and (6); adds R.S. 41:1215(D), (E), and (F))