

## RÉSUMÉ DIGEST

ACT 197 (HB 583)

2020 Regular Session

Mincey

Existing 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 (governmental entity). Further authorizes a trust to issue obligations to accomplish any authorized public function or purpose of the beneficiary.

Existing law defines authorized public functions or purposes of a governmental entity 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.

Existing 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 existing 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.

Existing law authorizes the public trust to require the lessee of each of the projects of the public trust to annually pay to local taxing authorities a sum in lieu of ad valorem taxes to compensate authorities for any services rendered by them for these projects. 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 approval of the beneficiary of the public trust by resolution of the governmental entity.

New law adds a requirement that a public trust which has a governmental entity as its beneficiary must obtain the approval, by resolution, of the governing authority in whose geographic boundaries a project or facility (project) to be undertaken by the public trust is located prior to commencing the undertaking of the project if any portion of the project is located outside the geographic boundaries of the beneficiary.

Effective Aug. 1, 2020.

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