The original instrument was prepared by Benjamin A. Huxen, II. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

SB 447 Reengrossed

2016 Regular Session

Appel

<u>Present law</u> 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.

<u>Proposed law</u> eliminates <u>present law</u> and provides that a public benefit corporation that meets the requirements of <u>present law</u> and <u>proposed law</u> is not required to advertise for and receive bids for other leases. Leases must comply with the provisions of <u>present law</u>, and shall be subject to the provisions of <u>present law</u> and <u>proposed law</u>.

<u>Present law</u> 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. <u>Proposed law</u> eliminates <u>present law</u> regarding indebtedness.

Proposed law further modifies the criteria for letting leases.

<u>Proposed law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> 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)(1), (2), (3), (4), (5), and (6); adds R.S. 41:1215(D), (E), and

(F))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Makes technical corrections.