

Regular Session, 2014

HOUSE BILL NO. 706

BY REPRESENTATIVE FOIL

LEASES: Provides for cooperative endeavor agreements involving leases

1 AN ACT

2 To amend and reenact R.S. 33:9029.2(C) and (D) and to enact R.S. 33:9029.2(E), relative
3 to cooperative endeavors involving the state; to provide with respect to cooperative
4 endeavor agreements that contemplate the lease of a property; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 33:9029(C) and (D) are hereby amended and reenacted and R.S.
8 33:9029.2(E) is hereby enacted to read as follows:

9 §9029.2. Cooperative endeavors involving the state

10 * * *

11 C. Notwithstanding the provisions of Civil Code Article 2679, should the
12 cooperative endeavor agreement contemplate the lease of a property, the
13 commissioner of administration may authorize a lease renewal or right of first refusal
14 to renew the lease under substantially the same terms and conditions as the previous
15 lease for such periods of time as the commissioner reasonably determines are in the
16 best interest of the state.

17 D. Notwithstanding any other provision of law to the contrary, any
18 cooperative endeavor or other agreement providing for the expenditure, directly or
19 indirectly, of any state funds which are used as the security, directly or indirectly, for

1 bonds, notes, certificates, or other obligations for the repayment of borrowed money,
2 whether taxable or tax exempt, shall be subject to State Bond Commission approval.

3 ~~D~~E.(1) Any cooperative endeavor or any other agreement under this Chapter
4 between the state and a nongovernmental entity providing for the expenditure,
5 directly or indirectly, of any state funds shall include a provision for the repayment
6 of such funds to the state under the following circumstances:

7 (a) If the nongovernmental entity defaults on the agreement, breaches the
8 terms of the agreement, ceases to do business, or ceases to do business in Louisiana,
9 then it shall repay the state in accordance with the terms of the agreement.

10 (b) The provisions of this Paragraph shall not apply to entities participating
11 in a business incubator program.

12 (2) The state entity executing the agreement shall be responsible for
13 enforcing the provisions of this Subsection.

14 (3) The provisions of this Subsection shall not apply to the Quality Jobs
15 Program or Enterprise Zone Program.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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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))