SLS 12RS-773 ORIGINAL

Regular Session, 2012

SENATE BILL NO. 412

BY SENATOR CLAITOR

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COLLEGES/UNIVERSITIES. Authorize colleges and universities to enter into property leases with Louisiana businesses to be located in areas designated as a business incubator or research park. (8/1/12)

AN ACT

2	To enact R.S. 17:3361(A)(6), relative to colleges and universities; to provide relative to
3	leases of college and university properties; to provide relative to leases to certain
4	organizations; to authorize leases to Louisiana businesses to be located in an area of
5	property designated by the college or university as a business incubator or research
6	park; to provide certain terms, conditions, requirements, and definitions; and to
7	provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 17:3361(A)(6) is hereby enacted to read as follows:
10	§3361. Authority of boards to execute leases
11	A. Each board may grant leases of any portion or portions of the grounds or
12	campus of any college or university or of other immovable property under its
13	supervision and management, for a term not to exceed ninety-nine years for each
14	lease, to any of the following:
15	* * *
16	(6) A Louisiana business to be located in an area designated by the
17	college or university as a business incubator or research park, subject to the

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following conditions:

- 2 (a) The term of the lease shall not exceed ten years.
 - (b) "Research park" shall mean a Louisiana research park as defined in

4 R.S. 51:1923(11).

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jerry G. Jones.

DIGEST

<u>Present law</u> relative to colleges and universities provides that each board may grant leases of any portion or portions of the grounds or campus of any college or university or of other immovable property under its supervision and management, for a term not to exceed 99 years for each lease, to any of the following:

- 1. An organized national or local college or university fraternity or sorority.
- 2. A religious, quasi-religious, or benevolent organization or other nonprofit corporation or association. However, any lease to a nonprofit corporation or association resulting in the construction of improvements on or after January 1, 2007, on college or university property shall be subject to design and construction oversight by the office of facility planning and control within the division of administration.
- 3. A military organization under the supervision of the state of Louisiana or of the United States of America.
- 4. A public body.
- 5. A private entity, provided such private entity shall be obligated under the terms of the lease agreement to construct improvements on the leased premises which will further the educational, scientific, research, or public service functions of the board and provided further that the private entity has been selected pursuant to a competitive bid or competitive proposal process.

<u>Present law</u> further provides that each board may permit the lessees to erect, construct, and maintain thereon fraternity or sorority houses or homes, student centers, facilities for religious worship and instruction, armories, storehouses, and other structures. Contracts entered into by a private lessee for the performance of work on the leased premises or the erection, construction, or maintenance of improvements on the leased premises shall not constitute public works contracts. Also provides that the architectural plans for each house or other structure shall be approved by the board prior to construction on the leased grounds. Additionally provides that agreements under <u>present law</u> are not subject to certain laws pertaining to advertisement and award of lease bids or leases of public lands.

<u>Proposed law</u> retains <u>present law</u> and adds authorization for lease to a Louisiana business to be located in an area designated by the college or university as a business incubator or research park.

Proposed law provides following conditions for such lease:

1. Term of the lease shall not exceed 10 years.

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Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

- 2. "Research park" shall mean a Louisiana research park as defined in R.S. 51:1923(11) any property-based venture located in the state of Louisiana which has all of the following elements:
 - (a) existing or planned land and buildings designed primarily for private and public research and development facilities, high technology and science-based companies, and support services;
 - (b) a contractual and/or formal ownership or operational relationship with one or more universities or other institutions of higher education and science research;
 - (c) a role in promoting research and development by the university in partnership with industry, assisting in the growth of new ventures, and promoting economic development;
 - (d) a role in aiding the transfer of technology and business skills between the university and industry tenants; and
 - (e) may be a not-for-profit or for-profit entity owned wholly or partially by a university or a university- related entity. Alternatively, a Louisiana research park may be owned by a non-university entity but have a contractual or other formal relationship with a university, including joint or cooperative ventures between a privately developed research park and a university.

Effective August 1, 2012.

(Adds R.S. 17:3361(A)(6))