SLS 12RS-887 ENGROSSED

Regular Session, 2012

1

SENATE BILL NO. 479

BY SENATOR WALSWORTH

PUBLIC LANDS. Provides for sales of certain public lands for economic development purposes. (8/1/12)

AN ACT

2	To amend and reenact the introductory paragraph of R.S. 41:140(D), and to enact R.S.
3	41:140(D)(4), relative to public lands; to provide for the procedure of the sale of
4	immovable property; to provide an exception from public auction or sealed bids; to
5	provide terms, conditions and requirements; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. The introductory paragraph of R.S. 41:140(D) is hereby amended and
8	reenacted and R.S. 41:140(D)(4) is hereby enacted to read as follows:
9	§140. Sales of immovable property by state agencies
10	* * *
11	D. The division shall conduct any sale of state-owned property under the
12	provisions of R.S. 41:131 et seq., or R.S. 47:2189, whichever is applicable, except
13	as otherwise provided as follows:
14	* * *
15	(4)(a) In lieu of public auction or sealed bids, at the request of the
16	Department of Economic Development, and with the approval of the
17	commissioner when he determines that it is in the best interest of the state,

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nonessential property may be sold, leased for a term not to exceed ninety-nine years, exchanged, or otherwise transferred without the necessity of advertisement or bid, to a public or private entity for use by the public or private entity in accordance with an economic development cooperative endeavor agreement with the Department of Economic Development providing for use of the property for establishment and operation of a facility for the purpose of creating economic benefits to the state, including new jobs, payroll or other benefits.

(b) The cooperative endeavor agreement shall establish the terms and conditions of the property transfer, which shall include a reservation by the state of all mineral rights, and shall be executed and approved prior to transfer of the property.

(c) The assumption by the vendee, lessee, transferee, or other party to the cooperative endeavor agreement of obligations enumerated in the cooperative endeavor agreement, including establishment and operation of the facility, creation and maintenance of new jobs and payroll, or other equivalent economic benefit to the state, shall constitute valid consideration for the property. The cooperative endeavor agreement shall comply with the prohibition against gratuitous donation of state property by demonstrating that the state has a reasonable expectation of receiving a benefit from the economic development project that is commensurate with the fair market value of the property and any other investment in the project made by the state.

23 * *

The original instrument was prepared by Heyward Jeffers. The following digest, which does not constitute a part of the legislative instrument, was prepared by McHenry Lee.

DIGEST

Walsworth (SB 479)

<u>Present law</u> prohibits state agencies from selling certain immovable property without approval of the legislative oversight committees.

Present law provides that state agencies must notice the legislature and receive approval

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

within 90 days, from the House Committee on Natural Resources and Environment and Senate Committee on Natural Resources, before selling immovable property designated as nonessential.

<u>Proposed law</u> allows the Department of Economic Development, without public auction or sealed bids, to sell immovable property, with the approval of the commissioner of administration when he determines such a sale would be in the best interest of the state.

<u>Proposed law</u> would allow the DED secretary to lease, with the commissioners approval, nonessential immovable property for periods not to exceed ninety-nine years.

<u>Proposed law</u> requires that the state retain ownership to all mineral rights of the property leased or sold and that any cooperative endeavor agreements between the state agency and the other party to the endeavor include terms and conditions that establish and operate the facility, as well as new jobs created, anticipated payrolls, or other equivalent economic benefit to the state.

<u>Proposed law</u> requires that the cooperative endeavor agreement comply with the prohibition against gratuitous donation of state property by demonstrating that the state has a reasonable expectation of receiving a benefit from the economic development project that is commensurate with the fair market value of the property and any other investment in the project made by the state.

Effective August 1, 2012.

(Amends R.S. 41:140(D)(intro para); adds R.S. 41:140(D)(4))

Summary of Amendments Adopted by Senate

<u>Committee Amendments Proposed by Senate Committee on Natural Resources to</u> the original bill

1. Removes provision allowing state agencies to sell certain immovable properties after 30 days notice to the legislative oversight committees.