

Regular Session, 2008  
HOUSE BILL NO. 1054

# ACT No. 739

BY REPRESENTATIVE PETERSON AND SENATOR GRAY

1 AN ACT

2 To enact R.S. 17:100.10, relative to authorizing city, parish, and other local public school  
3 boards to create public benefit corporations and enter into contracts with such public  
4 benefit corporations for the planning, renovation, construction, leasing, subleasing,  
5 management, and improvement of school properties; to exempt such school boards  
6 from certain limitations relative to property dispositions under certain circumstances;  
7 to authorize such school boards to enter into financing arrangements with their public  
8 benefit corporations and certain other private parties to construct new schools and  
9 to renovate existing school properties; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 17:100.10 is hereby enacted to read as follows:

12 §100.10. Public School Facilities Financing Act

13 A. This Act shall hereafter be known as the "Public School Facilities  
14 Financing Act".

15 B. Each city, parish, and other local public school board may create one or  
16 more public benefit corporations pursuant to this Section with all of the powers  
17 defined in R.S. 41:1215(B) and all of the powers, duties, and limitations defined in  
18 R.S. 12:202.1(D) regardless of the population of the school board's district, except  
19 that any transaction between the public benefit corporation and a third party shall be  
20 subject to the advertisement and bid requirements of R.S. 38:2212. Such public  
21 benefit corporations shall be created for the purpose of entering into agreements and  
22 engaging in financing arrangements to plan, renovate, construct, lease, sublease,  
23 manage, and improve schools and school property within the jurisdiction of each  
24 respective school board. Notwithstanding the limitations in R.S. 12:202.1(D) with

1 respect to the right to issue negotiable revenue bonds, any public benefit corporation  
2 created pursuant to this Section may issue negotiable revenue bonds in any amount  
3 deemed necessary to accomplish the purposes set forth in this Subsection; however,  
4 any and all obligations issued as well as any financing arrangements entered into by  
5 such public benefit corporation shall be subject to the approval of the State Bond  
6 Commission.

7 C. Notwithstanding any other provision of law to the contrary and in order  
8 to facilitate the construction of new schools or the renovation of existing schools, or  
9 both, each city, parish, and other local public school board may transfer its properties  
10 to a public benefit corporation created pursuant to this Section through financing  
11 arrangements, including without limitation sales, sale-leasebacks, leases, and lease-  
12 leasebacks, and such transfer shall be exempt from the limitations and requirements  
13 of R.S. 17:87.6 and R.S. 41:891 and 892; however, no transfer or disposition of  
14 schools or school property authorized by this Subsection shall result in such property  
15 being used for purposes other than school purposes. The dedication to school  
16 purposes of property transferred by a school board pursuant to this Section shall be  
17 specifically stated in any transfer or disposition document, and such language also  
18 shall specifically provide that the title and control of the property shall automatically  
19 and immediately, by operation of law, revert to the school board if the property is  
20 used for a purpose other than school purposes.

21 D. Each city, parish, and other local public school board may make loans and  
22 guarantee loans to a public benefit corporation created pursuant to this Section or to  
23 other third-party entities in order to facilitate the construction of new schools or the  
24 renovation of existing schools, or both. Such loans and loan guarantees shall be  
25 subject to the approval of the State Bond Commission.

26 E. Any public benefit corporation created pursuant to this Section may act  
27 alone or in partnership with any private entity in order to leverage additional funds  
28 not otherwise available to a city, parish, or other local public school board for the  
29 construction or renovation of properties, or both, transferred to such public benefit  
30 corporation; however, the use of any funds loaned or made available to a public

1           benefit corporation in partnership or other arrangement with any private entity shall  
 2           be dedicated only for the construction of new schools or the renovation of existing  
 3           school properties, or both. Such partnerships or other arrangements shall include  
 4           language specifically providing that title and control of property transferred to the  
 5           public benefit corporation by the school board shall automatically and immediately,  
 6           by operation of law, revert to the school board if the property is used for purposes  
 7           other than school purposes.

8                   F. For purposes of this Section, "city, parish, and other local public school  
 9                   board" shall include the Recovery School District established by R.S. 17:1990.

10                   G. By March first of each calendar year, the Department of Education shall  
 11                   provide a written report to the Joint Legislative Committee on the Budget on the  
 12                   utilization of the provisions of this Section based upon information which shall be  
 13                   provided to the department by January first of each calendar year by each school  
 14                   board and public benefit corporation created and utilizing New Market Tax Credits  
 15                   in the manner to be provided for in rules and regulations approved by the Joint  
 16                   Legislative Committee on the Budget.

17           Section 2. This Act shall become effective upon signature by the governor or, if not  
 18 signed by the governor, upon expiration of the time for bills to become law without signature  
 19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 20 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 21 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_