

SENATE BILL NO. 466

BY SENATOR HEWITT AND REPRESENTATIVE WILLMOTT

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AN ACT

To enact R.S. 17:1519.2(C), relative to public hospitals administered by the Board of Supervisors of Louisiana State University; to provide for a procedure for the board and the commissioner of administration to seek approval from the Joint Legislative Committee on the Budget and the legislature to proceed with a sale of any hospital; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:1519.2(C) is hereby enacted to read as follows:

§1519.2. State hospitals operated by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College as part of the Louisiana State University Health Sciences Center

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C.(1) Notwithstanding any provision of law to the contrary, in the event the board determines it is in the best interest of the state, the legislature has authorized the closure of a hospital, and the building is no longer being utilized

1 for the provision of healthcare services, or the board receives an inquiry from
2 a financially viable party regarding the purchase of a hospital listed in
3 Subsection B of this Section, hereinafter referred to as the property, the board
4 shall notify the commissioner of administration within five business days that
5 it is contemplating the option of selling the property or is in receipt of such an
6 inquiry. The board shall participate in and cooperate with the commissioner of
7 administration in reviewing the benefits and consequences of selling the
8 property.

9 (2) The review by the board and the commissioner of administration
10 shall include, at a minimum, an assessment of the impact a sale of the property
11 may have on the provision of healthcare in the region, the impact on graduate
12 medical education, any contractual or operational issues with other parties that
13 need to be addressed prior to executing a contract of sale, purchase agreement,
14 or other type of agreement, and a cost-benefit analysis addressing the potential
15 short-term and long-term financial advantages and disadvantages of proceeding
16 with the sale. The commissioner shall also obtain fair market value appraisals
17 from up to three Louisiana certified appraisers to ascertain the current value
18 of the property. A report of such information and the recommendations of the
19 board and the commissioner shall be submitted to the Joint Legislative
20 Committee on the Budget immediately upon its completion.

21 (3) Prior to taking any action which would result or is expected to result
22 in the sale of the property as provided by law, the commissioner of
23 administration shall notify the Joint Legislative Committee on the Budget in
24 writing that the board and commissioner are recommending that the state
25 proceed with such a sale. The commissioner shall instruct the board to contact
26 the committee to request preliminary authorization to pursue the sale of the
27 property based upon the positive outcome of the review provided for in
28 Paragraph (2) of this Subsection. The committee shall consider the board's
29 request no less than thirty days after the date that it is submitted to the
30 committee. If the board's request is approved by the committee, it shall be

1 submitted to the legislature for approval by a majority vote of the elected
2 members of each house of the legislature. If the legislature is not in session,
3 approval of the legislature may be obtained in accordance with the procedures
4 provided in R.S. 39:87.

5 (4) Notwithstanding the provisions of R.S. 41:140 to the contrary, upon
6 receipt of the approval by the committee and legislature to proceed with the
7 exploration of the sale of the property, the board shall work with the
8 commissioner to develop a solicitation for offers to sell the property, fixing the
9 minimum price and terms of sale to be made with reference to the property. The
10 solicitation shall be developed such that it is within the parameters approved by
11 the committee and the legislature. Upon completion of the solicitation, the board
12 shall advertise the solicitation for offers electronically for forty-five days and
13 shall also advertise in the newspapers in general circulation in the municipality
14 where the property is located and in major metropolitan areas across the state
15 for a minimum of three times in forty-five days. During this period, the board
16 and the commissioner shall resolve any outstanding contractual or operational
17 issues with other parties that may affect the sale of the property. The board and
18 the commissioner shall review the offers and negotiate with the respondents for
19 a period of no less than thirty days. If the board and commissioner agree that
20 an acceptable offer has been received, then the board shall submit the proposed
21 agreement to the committee for its review and approval. The agreement shall
22 be within the preliminary parameters approved by the committee and the
23 legislature. The committee shall consider the proposed agreement not less than
24 thirty days after submission of the agreement. No agreement shall be officially
25 confected prior to approval of the committee.

26 (5) Nothing contained in this Subsection, nor any approval of the
27 committee or legislature relative to a proposed sale, shall be construed as
28 authorizing the board to close a hospital or an emergency room or absolving the
29 board of its responsibilities for any medical center as provided by law.

30 Section 2. The provisions of this Act shall terminate on December 31, 2019.

1 Section 3. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____