

Regular Session, 2012

SENATE BILL NO. 479

BY SENATOR WALSWORTH

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

1 AN ACT

2 To amend and reenact R.S. 41:140(C) and the introductory paragraph of (D), and to enact  
3 R.S. 41:140(D)(4), relative to public lands; to provide for the procedure of the sale  
4 of immovable property; to provide an exception from public auction or sealed bids;  
5 to provide terms, conditions and requirements; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 41:140(C) and the introductory paragraph of (D) are hereby amended  
8 and 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 C. Unless ~~approval~~ **objection** is received from the House Committee on  
12 Natural Resources and Environment and Senate Committee on Natural Resources  
13 within ~~ninety~~ **thirty** days after receiving notice, the division ~~shall not~~ **may**  
14 **thereafter** initiate implementation of its recommendation for best use or disposition  
15 of the property.

16 D. The division shall conduct any sale of state-owned property under the  
17 provisions of R.S. 41:131 et seq., ~~or R.S. 47:2189, whichever is applicable~~, except

1 as otherwise provided as follows:

2 \* \* \*

3 (4) In lieu of public auction or sealed bids, at the request of the  
4 Department of Economic Development, and with the approval of the  
5 commissioner when he determines that it is in the best interest of the state,  
6 nonessential property may be sold or leased for a term not to exceed ninety-nine  
7 years, exchanged, or otherwise transferred without the necessity of  
8 advertisement or bid, to a public or private entity for use by the public or  
9 private entity in accordance with an economic development cooperative  
10 endeavor agreement with the Department of Economic Development providing  
11 for use of the property for establishment and operation of a facility for the  
12 purpose of creating economic benefits to the state, including new jobs, payroll  
13 or other benefits.

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

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

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Heyward Jeffers.

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#### DIGEST

Present law prohibits state agencies from selling immovable property without approval of the legislative oversight committees.

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

Proposed law allows state agencies to sell immovable property after 30 days notice to the legislative oversight committees and the committees failure to object within 30 days to the planned sale.

Proposed law 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.

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

Proposed law 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.

Proposed law 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(C) and (D)(intro para); adds R.S. 41:140(D)(4))