

Regular Session, 2010

SENATE BILL NO. 752

BY SENATOR LONG

COLLEGES/UNIVERSITIES. Creates and provides for the Louisiana Centers of Excellence Financing Corporation and authorizes the issuance of bonds to finance the construction of centers of excellence. (2/3-CA7s9(F)) (8/15/10)

1 AN ACT

2 To enact R.S. 39:1367(E)(2)(b)(v) and Chapter 17-F of Subtitle III of Title 39 of the

3 Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:1800.21 through

4 1800.35, relative to the creation of a nonprofit corporation to provide for the

5 financing and leasing of centers of excellence; to provide for its board of directors;

6 to authorize the lease and sublease of the facilities; to authorize the issuance of bonds

7 and certificates of participation; to empower the nonprofit corporation, the Louisiana

8 Community and Technical College System and the state to take such other actions

9 or enter into such other agreements as may be necessary and appropriate to carry out

10 its responsibilities; to provide that debt issued by the nonprofit corporation is

11 excluded from net state tax supported debt; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 39:1367(E)(2)(b)(v) and Chapter 17-F of Subtitle III of Title 39 of

14 the Louisiana Revised Statutes of 1950, comprised of R.S. 39:1800.21 through 1800.35, are

15 hereby enacted to read as follows:

16 §1367. State debt; limitations

17 * * *

1 E. As used in this Section, the following terms shall have the following
2 meanings ascribed to them unless the context clearly indicates otherwise:

3 * * *

4 (2) * * *

5 (b) "Net state tax supported debt" shall not mean:

6 * * *

7 **(v) Any bond, note, certificate, or other evidence of indebtedness issued**
8 **pursuant to R.S. 39:1800.21 through 1800.34.**

9 * * *

10 **CHAPTER 17-F. LOUISIANA CENTERS OF**
11 **EXCELLENCE FINANCING CORPORATION ACT**

12 **§1800.21. Title**

13 **This Chapter shall be referred to and may be cited as the "Louisiana**
14 **Centers of Excellence Financing Corporation Act".**

15 **§1800.22. Definitions**

16 **As used in this Chapter, the following words and terms shall have the**
17 **following meanings, unless the context clearly indicates or requires another or**
18 **different meaning or intent:**

19 **(1) "Annual appropriation dependency clause" shall mean a clause**
20 **which shall be included in any lease-purchase financing document which**
21 **provides that if, after a diligent and good faith effort by the state to appropriate**
22 **funds for the payment of sums due under a lease-purchase financing agreement,**
23 **such funds are not appropriated, such lease-purchase agreement shall terminate**
24 **in accordance with the terms of the lease-purchasing financing agreement and**
25 **the state shall not be liable for the payment of further sums due on such**
26 **agreements past the then current fiscal year, provided possession of the project**
27 **is returned to the corporation. Such lease-purchase financing document shall**
28 **further provide that in the event of an inability to appropriate sufficient funds**
29 **such inability shall not constitute a default under such agreement.**

1 **(2) "Bonds" means bonds, notes, or any other evidence of indebtedness**
2 **issued by the corporation.**

3 **(3) "Center of excellence" means a community college or vocational**
4 **technical facility which provides customized education and training programs**
5 **for targeted industries that drive Louisiana's economy.**

6 **(4) "Certificates" means certificates of participation executed and**
7 **delivered by a trustee evidencing ownership interests in any lease entered into**
8 **by the state or the system, as lessee, and the corporation, as lessor.**

9 **(5) "Corporation" means the nonprofit corporation authorized to be**
10 **formed by this Chapter, or any corporation succeeding to the principal**
11 **functions thereof or to which the powers conferred upon the corporation by this**
12 **Chapter shall be given by law. It is further declared that any such corporation**
13 **shall be a private entity that shall not constitute a state agency, board, or**
14 **commission nor shall it be deemed to be a public or quasi public corporation or**
15 **an administrative unit, public servant, employee, or agent of any institution of**
16 **higher education for any purpose whatsoever.**

17 **(6) "Division of administration" means the division of administration**
18 **created within the office of the governor by Title 39 of the Louisiana Revised**
19 **Statutes of 1950.**

20 **(7) "Lease-purchase financing" means the financing and acquisition of**
21 **property by a corporation pursuant to an arrangement under which such**
22 **corporation acquires title to property and enters into a lease-purchase**
23 **agreement with the state providing for the leasing of the property by such**
24 **corporation to the state and acquisition by the state at the end of the lease**
25 **period of title to the property.**

26 **(8) "Project" means the acquisition, purchase, construction, renovation,**
27 **improvement, or expansion of a public facility by the corporation, to be**
28 **financed with funds provided in whole or in part pursuant to this Chapter.**

29 **(9) "Public facilities" means buildings, parking garages, and related**

1 facilities used or to be used as a center of excellence for students, faculty and
2 staff of the Louisiana Community and Technical College System, and all land,
3 buildings and movable or immovable equipment incorporated therein and
4 relating thereto.

5 (10) "System" means the Louisiana Community and Technical College
6 System.

7 §1800.23. Construction of Chapter

8 A. This Chapter shall be deemed to provide a complete, additional, and
9 alternative method for doing the things authorized hereby and shall be regarded
10 as supplemental and additional to powers conferred by other laws.

11 B. To the extent that the provisions of this Chapter are inconsistent with
12 the provisions of R.S. 12:202.1, or any other provisions of any general statute
13 or special act or parts thereof, the provisions of this Chapter shall be deemed
14 controlling.

15 §1800.24. Functions of corporation

16 There is hereby authorized the formation and incorporation of a
17 nonprofit corporation, the purpose of which shall be the financing of the design,
18 acquisition, purchase, construction, renovation, improvement, equipping or
19 expansion of facilities to be leased to the Louisiana Community and Technical
20 Colleges System and used as centers of excellence.

21 §1800.25. Membership of board of directors; vacancies; compensation;
22 expenses

23 A. The corporation shall be governed by a board of seven directors
24 comprised as follows:

25 (1) The governor, or his designee.

26 (2) The commissioner of administration, or his designee.

27 (3) The president of the Senate, or his designee.

28 (4) The speaker of the House of Representatives, or his designee.

29 (5) The secretary of the Louisiana Department of Economic

1 Development, or his designee.

2 (6) The president of the Louisiana Community and Technical College
3 System, or his designee.

4 (7) The chairman of the Workforce Investment Advisory Council.

5 B. Members of the board of directors shall serve without compensation,
6 but the corporation may reimburse such members for necessary expenses
7 incurred in the discharge of their duties. Members of the legislature serving on
8 the board shall receive the same per diem and travel reimbursement for
9 attending meetings of the board as is normally provided for members of the
10 legislature.

11 C. Members of the board of directors shall elect a president, a secretary-
12 treasurer and such other officers as shall be deemed necessary and appropriate.

13 §2800.26. Applicable laws to corporation

14 A. The corporation shall be subject to the Public Records Law, the Open
15 Meetings Law, the Bond Validation Procedures Law, and the Code of
16 Governmental Ethics. The corporation shall follow all provisions of R.S.
17 38:2211 et seq., when utilized by the system as a financing vehicle for the
18 construction, renovation, or expansion of public facilities.

19 B. In any action for damages for an offense or quasi offense against the
20 corporation, its officers, or employees, the corporation, its officers, or employees
21 shall be entitled to assert any defense or limitation available to the state or an
22 agency thereof, including but not limited to the provisions of Part XV of
23 Chapter 32 of Title 13 of the Louisiana Revised Statutes of 1950.

24 C. In any claim or lawsuit against the corporation or its officers or
25 employees for damages arising out of personal injury or death of an official or
26 employee of the state, its agencies, boards or commissions, the exclusive,
27 compulsory and obligatory relief shall be limited to the remedies and relief
28 afforded under Chapter 10 of Title 23 of the Louisiana Revised Statutes of 1950,
29 including but not limited to R.S. 23:1034.

1 **§1800.27. Powers**

2 **A. In addition to the powers granted it by the General Nonprofit**
3 **Corporation Law, Title 12 of the Louisiana Revised Statutes of 1950, the**
4 **corporation shall have power to undertake any project, to provide for the**
5 **financing thereof, and in connection therewith:**

6 **(1) To receive and accept from any agency of the United States or any**
7 **agency of the state of Louisiana or any municipality, parish, or other political**
8 **subdivision thereof, or from any individual, association, or corporation gifts,**
9 **grants, or donations of monies or other property for achieving any other**
10 **purposes of this Chapter.**

11 **(2) To finance, own, lease as lessee or lessor a public facility or facilities**
12 **owned or leased by the corporation and to enter into contracts for any or all**
13 **such purposes, including contracts for the acquisition, purchase, construction,**
14 **renovation, improvement, or expansion of such public facility or facilities owned**
15 **or leased by the corporation.**

16 **(3) To receive and accept from any source loans, contributions, or grants**
17 **for or in aid of a project, or the financing thereof in either money, property,**
18 **labor, or other things of value.**

19 **(4) To mortgage all or any portion of its interest in a public facility or**
20 **facilities and the property on which any such public facility or facilities are**
21 **located, whether owned or thereafter acquired, including the granting of a**
22 **security interest in any property, corporeal or incorporeal, and to assign or**
23 **pledge all or any portion of its interest in property, corporeal or incorporeal,**
24 **and the revenues therefrom.**

25 **(5) To lease for a term not to exceed thirty years to the system or to the**
26 **state of Louisiana, through the division of administration, the project being**
27 **financed or public facilities conveyed to the corporation in connection with such**
28 **financing, upon such terms and conditions as are mutually agreeable and both**
29 **parties deem proper, however, any and all such agreements shall contain an**

1 annual appropriation dependency clause, and to charge and collect rents
2 therefor and to terminate any such lease upon the failure of the lessee to comply
3 with any of the obligations thereof; to include in any such lease, if it shall so
4 desire, provisions that the lessee thereof shall have options to renew the term of
5 the lease for such period or periods and at such rent as shall be determined by
6 the corporation or to purchase any or all of the public facilities, or that upon
7 payment of all of the indebtedness incurred by the corporation for the financing
8 of such project, then the corporation shall convey any or all of the public
9 facilities to the state of Louisiana on behalf of the system with or without
10 consideration. The system or the state of Louisiana, through the division of
11 administration, may enter into a lease for immovable or movable property with
12 the corporation, whether as lessee or lessor, pursuant to this Chapter.

13 (6) To obtain, or aid in obtaining, from any department or agency of the
14 United States or the state of Louisiana or any private company, any insurance
15 or guarantee as to, or of, or for the payment or repayment of, interest or
16 principal, or both, or any part thereof, on any lease or obligation or any
17 instrument evidencing or securing the same, made or entered into pursuant to
18 the provisions of this Chapter and to assign any such insurance or guarantee as
19 security for the corporation's bonds.

20 (7) To enter into any trust agreement or agreements providing, among
21 other matters, for the execution and delivery of certificates in any lease between
22 the state and the corporation.

23 (8) To enter into any and all agreements or contracts, execute any and
24 all instruments, and do and perform any and all acts or things necessary,
25 convenient, or desirable for the purposes of the corporation or to carry out any
26 power expressly given in this Chapter.

27 B. In addition to the powers granted it by law, the system or the state of
28 Louisiana, through the division of administration, shall have the power:

29 (1) To enter into a negotiated lease or leases with the corporation of any

1 public facility for a term not to exceed thirty years upon such terms and
2 conditions as it shall deem proper, however, such agreements shall contain an
3 annual appropriation dependency clause.

4 (2) To sublease any such leased public facilities to any political
5 subdivision or public body of the state of Louisiana or to any commission,
6 entity, or regional authority created under or by intergovernmental cooperation
7 under the laws of the state of Louisiana; provided that no such sublease shall
8 relieve the sublessor of its obligations under its lease from the corporation
9 relating to the subleased public facilities.

10 (3) Notwithstanding the provisions of R.S. 41:1211 et seq., to negotiate
11 a lease or leases to the corporation of land owned by the system or by the state
12 for a period not to exceed thirty years upon such terms and conditions as it shall
13 deem proper.

14 C. Any political subdivision or public body of the state of Louisiana or
15 any public commission, entity, or regional authority created under the law of
16 the state of Louisiana may, with the prior approval of the division of
17 administration, enter into a sublease of public facilities from the system or the
18 state of Louisiana.

19 §1800.28. Bonds

20 A. The corporation is authorized, from time to time, to issue its bonds
21 in order to provide for achieving any of its purposes under this Chapter.

22 B. Except as may otherwise be expressly provided by this corporation,
23 each of its bonds shall be payable from any revenues or monies of the
24 corporation available therefor and not otherwise pledged, subject only to any
25 agreements with the holders of particular bonds pledging any particular
26 revenues or monies. Such bonds shall be and are deemed to be for all purposes
27 negotiable instruments, subject only to the provisions of such bonds for
28 registration.

29 C.(1) The corporation's bonds may be issued as serial bonds or as term

1 bonds, or the corporation, in its discretion, may issue bonds of both types. The
2 issuance of all bonds shall be authorized by resolution of the board of directors
3 and shall bear such date or dates, mature at such time or times, not exceeding
4 thirty years from their respective dates, bear interest at such rate or rates, be
5 payable at such time or times, be in such denominations, be in such form, either
6 coupon or registered, carry such registration privileges, be executed in such
7 manner, be payable in lawful money of the United States of America at such
8 place or places, and be subject to such terms of redemption, as the indenture,
9 trust agreement, or resolution relating to such bonds may provide. The
10 corporation's bonds may be sold by the corporation at public or private sale, for
11 such price or prices and upon such terms and conditions as the corporation
12 shall determine. The corporation may sell any bonds at a price below the par
13 value thereof; provided, however, that the discount shall not exceed six percent
14 of the par value thereof. Pending preparation of the definitive bonds, the
15 corporation may issue interim receipts or certificates or temporary bonds which
16 shall be exchanged for such definitive bonds.

17 (2) Bonds of the corporation shall not be invalid because of any
18 irregularity or defect in the proceedings or in the issuance and sale thereof and
19 shall be incontestable in the hands of a bona fide purchaser or holder. The
20 corporation, after authorizing the issuance of bonds by resolution, shall publish
21 once in a newspaper of general circulation in the parish in which the
22 corporation is domiciled, a notice of intention to issue the bonds. The notice
23 shall include a description of the bonds and the security therefor. Within thirty
24 days after the publication, any person in interest may contest the legality of the
25 resolution, any provision of the bonds to be issued pursuant to it, the provisions
26 securing the bonds, and the validity of all other provisions and proceedings
27 relating to the authorization and issuance of the bonds. If no action or
28 proceeding is instituted within the thirty days, no person may contest the
29 validity of the bonds, the provisions of the resolution pursuant to which the

1 bonds were issued, the security of the bonds, or the validity of any other
2 provisions or proceedings relating to their authorization and issuance, and the
3 bonds shall be presumed conclusively to be legal. Thereafter, no court shall
4 have authority to inquire into such matters.

5 D. Any resolution or resolutions authorizing the issuance of any bonds
6 or any issue of bonds may contain provisions, which shall be part of the contract
7 with the holders of the bonds so authorized, as to pledging all or any part of the
8 revenues of a project or any revenue-producing contract or contracts made by
9 the corporation with any agency, department, corporation, or other person,
10 public or private, to secure the payment of the bonds or of any particular issue
11 of bonds.

12 E. Neither the members of the board of directors of the corporation or
13 any person executing the bonds shall be liable personally on the bonds or be
14 subject to any personal liability or accountability by reason of the issuance
15 thereof.

16 §1800.29. Bonds; security; trust agreement; indenture; ancillary contracts;
17 interest rate swap agreements

18 A. In the discretion of the corporation, any bonds issued by it may be
19 secured by a trust agreement or indenture by and between the corporation and
20 a corporate trustee, which may be any trust company or bank having the
21 powers of a trust company within or without the state. Such trust agreement
22 or indenture or the resolution providing for the issuance of such bonds may
23 pledge or assign the revenues to be received from any lease of the public
24 facilities. Such trust agreement, indenture, or resolution providing for the
25 issuance of such bonds may contain such provisions for protecting and
26 enforcing the rights and remedies of the bondholders as may be reasonable and
27 proper and not in violation of law. Any such trust agreement, indenture, or
28 resolution may set forth the rights and remedies of the bondholders and of the
29 trustee or trustees and may restrict the individual right of action of

1 bondholders. In addition to the foregoing, any such trust agreement, indenture,
2 or resolution may contain such other provisions as the corporation may deem
3 reasonable and proper for the security of bondholders.

4 B. (1) The corporation may enter into, amend or terminate, as it
5 determines to be necessary or appropriate, any ancillary contracts:

6 (a) To facilitate the issuance, sale, resale, purchase, repurchase or
7 payments of bonds, including without limitation bond insurance, letters of
8 credit and liquidity facilities.

9 (b) To attempt to hedge risk or achieve a desirable effective interest rate
10 or cash flow, subject to the approval of the State Bond Commission.

11 (2) The determination of the board, so approved, that an ancillary
12 contract or the amendment or termination thereof is necessary or appropriate
13 as aforesaid shall be conclusive. Such contracts shall be made upon the terms
14 and conditions established by the board and approved by the State Bond
15 Commission, including without limitation provisions as to security, default,
16 termination, payment, remedy and consent to service of process.

17 C. The corporation may enter into, amend or terminate, any swap
18 contract that it determines to be necessary or appropriate to place the
19 obligations or investments of the corporation, as represented by the bonds or
20 the investment of their proceeds, in whole or in part, on the interest rate, cash
21 flow or other basis desired by the board, which contract may include without
22 limitation contracts commonly known as interest rate swap agreements, and
23 futures or contracts providing for payments based on levels of, or changes in,
24 interest rates, subject to approval of the State Bond Commission. The
25 determination of the board, so approved, that a swap contract or the
26 amendment or termination thereof is necessary or appropriate as aforesaid
27 shall be conclusive. These contracts and arrangements may contain such
28 payment, security, default, remedy, and other terms and conditions as
29 determined by the board and approved by the State Bond Commission, after

1 giving due consideration to the creditworthiness of the counterparty or other
2 obligated party, including any rating by any nationally recognized rating
3 agency, and any other criteria as may be appropriate.

4 §1800.30. Bonds and certificates; payment; no liability of state or political
5 subdivision

6 Neither bonds nor certificates shall be deemed to constitute a debt or
7 liability of the state of Louisiana or of any agency, board, or political
8 subdivision thereof or a pledge of the faith and credit of the state of Louisiana
9 or of any such agency, board, or political subdivision.

10 §1800.31. Refunding bonds

11 The corporation may provide for the issuance of its bonds for the
12 purpose of refunding any bonds or any series of bonds then outstanding,
13 including the payment of any redemption premium thereon and any interest
14 accrued or to accrue to the date of redemption and purchase or maturity of
15 such bonds. All such refunding bonds shall be subject to the provisions of this
16 Chapter in the same manner and to the same extent as other bonds issued
17 pursuant to this Chapter.

18 §1800.32. Bonds and certificates as legal investments

19 Bonds and certificates are hereby made securities in which all banks,
20 bankers, savings banks, trust companies, and other persons carrying on a
21 banking business, all insurance companies, insurance associations, and other
22 persons carrying on an insurance business, and all administrators, executors,
23 guardians, trustees, and other fiduciaries, and all other persons whatsoever who
24 now are or may hereafter be authorized to invest in bonds or other obligations
25 of the state of Louisiana may properly and legally invest any funds, including
26 capital belonging to them or within their control, and such bonds and
27 certificates are hereby made securities which may properly and legally be
28 deposited with and received by any state or municipal officers or agency of the
29 state of Louisiana for any purpose for which the deposit of bonds or other

1 obligations of the state of Louisiana is now or may hereafter be authorized by
2 law.

3 §1800.33. Bonds and certificates; freedom from taxation

4 Any bonds and certificates, their transfer, and the income therefrom
5 shall at all times be free from taxation of every kind by the state of Louisiana
6 and by all political subdivisions in the state of Louisiana.

7 §1800.34. Excess earnings

8 Any net earnings of the corporation beyond that necessary for
9 retirement of any bonds issued by the corporation or to implement the purposes
10 of this Chapter shall inure to the benefit only of the state of Louisiana.

11 §1800.35. Dissolution of corporation; title to the property to vest in successor

12 Upon dissolution of the corporation, title to all property owned by the
13 corporation shall vest in the successor corporation created by the legislature, if
14 any, if such successor corporation qualifies under Section 103 of the Federal
15 Internal Revenue Code of 1986, as amended, to issue obligations the interest on
16 which is exempt from federal income taxation. If no such successor corporation
17 is so created, title to such property shall vest in the state of Louisiana.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

Present law, relative to state debt limitations, defined "net state tax supported debt" to mean all of the following debt obligations issued by the state or any entity in the state for which the state is legally obligated to make debt service payments:

- (1) General obligation bonds secured by the full faith and credit of the state.
- (2) Debt secured by capital leases of immovable property payable by the state or annual appropriations of the state.
- (3) Debt secured by statewide tax revenues or statewide special assessments.
- (4) Any funds advanced by a political subdivision in accordance with R.S. 47:820.2.
- (5) Bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw on the full faith and credit of the state.

Present law provides that "net state tax supported debt" shall not include:

- (1) Any obligations owed by the state pursuant to the State Employment Security Law.
- (2) Cash flow borrowings payable from revenue attributable to one fiscal year.
- (3) Bonds or notes issued by the state pursuant to Section 4 or 5 of Act 41 of the 2006 First Extraordinary Session of the Louisiana Legislature, to implement the Gulf Opportunity Zone Act of 2005.
- (4) Any bond, note, certificate, warrant, reimbursement obligation issued pursuant to R.S. 23:1532.1, which authorizes the issuance of bonds secured by a special assessment on employers, to finance and pay the outstanding principal amount advanced to the state from the federal account of the Unemployment Trust Fund.

Proposed law retains present law and provides that net state tax supported debt shall not include any bond, note, certificate, or other evidence of indebtedness issued pursuant to proposed law, which authorizes the issuance of bonds by a nonprofit corporation to finance the design, acquisition, purchase, construction, renovation, improvement, equipping or expansion of facilities to be leased to the Louisiana Community and Technical Colleges System and used as centers of excellence.

Proposed law authorizes the formation and incorporation of a nonprofit corporation, the purpose of which shall be the financing of the design, acquisition, purchase, construction, renovation, improvement, equipping or expansion of facilities to be leased to the Louisiana Community and Technical Colleges System and used as centers of excellence.

Proposed law provides that the corporation shall be governed by a board of directors comprised of:

1. The governor or his designee.
2. The commissioner of administration or his designee.
3. The president of the Senate or his designee.
4. The speaker of the House of Representatives or his designee.
5. The secretary of the Louisiana Department of Economic Development or his designee.
6. The president of the Louisiana Community and Technical College System or his designee.
7. The chairman of the Workforce Investment Advisory Council.

Proposed law provides that members of the board of directors shall serve without compensation, but the corporation may reimburse such members for necessary expenses incurred in the discharge of their duties but authorizes per diem and reimbursement of travel expenses for legislators serving on the board.

Proposed law provides that the members of the board of directors shall elect a president, a secretary-treasurer and such other officers as shall be deemed necessary and appropriate.

Proposed law provides that the corporation shall be subject to the Public Records Law, the Open Meetings Law, the Bond Validation Procedures Law and the Code of Governmental Ethics.

Proposed law specifies the powers of the corporation, which include:

- (1) To receive and accept from the United States, the state of Louisiana or any political subdivision thereof, or from any individual, association, or corporation gifts, grants, or donations of monies or other property.
- (2) To finance, own, lease as lessee or lessor a public facility or facilities owned or leased by the corporation and to enter into contracts for any purpose.
- (3) To receive and accept from any source loans, contributions, or grants.
- (4) To mortgage, to grant a security interest in any property, and to assign or pledge all or any portion of its interest in property, and the revenues therefrom.
- (5) To lease for a term not to exceed thirty years to the system or to the state the project being financed, upon such terms and conditions as are agreeable and proper, however, any and all such agreements shall contain an annual appropriation dependency clause, and to charge and collect rents therefor and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof. The system or the state of Louisiana through the division of administration may enter into a lease for immovable or movable property with the corporation, whether as lessee or lessor.
- (6) To obtain insurance.
- (7) To enter into a trust agreement.
- (8) To enter into any and all agreements or contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient, or desirable for the purposes of the corporation.

Proposed law gives the Louisiana Community and Technical Colleges System or the state of Louisiana, the power:

- (1) To enter into a negotiated lease or leases with the corporation of any public facility for a term not to exceed thirty years upon such terms and conditions as it shall deem proper, however, such agreements shall contain an annual appropriation dependency clause.
- (2) To sublease any such leased public facilities to any political subdivision or public body of the state of Louisiana or to any commission, entity, or regional authority created under or by intergovernmental cooperation under Louisiana law.
- (3) To negotiate a lease or leases to the corporation of land owned by the system or by the state for a period not to exceed thirty years.

Proposed law authorizes the corporation to issue bonds, and provides for the security, maturity and other terms relative to such bonds. Proposed law further authorizes the bonds to be secured by a trust agreement. Authorizes the corporation to enter into ancillary contracts of bond insurance, letters of credit and liquidity facilities and hedges. Authorizes the corporation to enter into swap contracts.

Proposed law provides that bonds of the corporation shall not be deemed to constitute a debt or liability of the state or of any agency, board or political subdivision thereof nor a pledge of the full faith and credit of the state of Louisiana.

Proposed law provides that the corporation may issue refunding bonds, that corporation bonds are legal investments and are exempt from Louisiana taxes.

Proposed law provides that upon dissolution of the corporation, title to all property shall vest

in a successor corporation created by the legislature, and if no such successor corporation is created, title shall vest in the state of Louisiana.

Effective August 15, 2010.

(Adds R.S. 39:1367(E)(2)(b)(v) and R.S. 39:1800.21-1800.35)