

SENATE BILL NO. 230

BY SENATOR PETERSON

## 1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 17:3051, 3051(1) and (3), 3052(6)  
3 through (8), 3053, 3054(A), the introductory paragraph of 3055, 3055(5), (7), and  
4 (10), 3056(A)(1), (B) and (H), and 3058, to enact R.S. 17:3053.1 and R.S.  
5 36:651(D)(10), and to repeal R.S. 17:3052(1) and (4) and 3055(9) and R.S.  
6 36:259(B) and 804, relative to the Health Education Authority of Louisiana; to  
7 provide for placement of the authority within the executive branch of government;  
8 to provide for clarification to the statement of purpose of the authority; to provide  
9 for definitions; to revise the authority membership; to provide for powers and duties  
10 of the authority; to provide with respect to bonds of the authority; to provide for an  
11 effective date; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. The introductory paragraph of R.S. 17:3051, 3051 (1) and (3), 3052(6)  
14 through (8), 3053, 3054(A), the introductory paragraph of 3055, 3055(5), (7), and (10),  
15 3056(A)(1), (B), and (H), and 3058 are hereby amended and reenacted and R.S. 17:3053.1  
16 is hereby enacted to read as follows:

17 §3051. Statement of purpose and function

18 In order to promote the medical ~~and/or~~ **and** health educational activities of  
19 various public and private institutions and organizations in the state of Louisiana and  
20 to promote health and welfare of its citizens through encouraging and assisting in the  
21 provision of medical care and prompt and efficient health and ~~health-related~~  
22 **health-related** services at reasonable cost by public and private institutions and  
23 organizations in modern, well-equipped facilities, and to strive to achieve superlative  
24 standards of attainment in ~~health-care~~ **healthcare** and education that will place

1 Louisiana in the position of regional, national, and international leadership in those  
 2 fields, it is hereby declared to be in the public interest that the Health Education  
 3 Authority of Louisiana ~~be created within the Department of Health and Hospitals.~~  
 4 ~~The~~ **serve the following** purposes and functions ~~of the authority~~ are:

5 (1) ~~To operate, in accordance with a master plan, a cooperative and~~  
 6 ~~coordinated multi-institutional complex that will serve to attract, encourage and~~  
 7 assist public and private institutions and organizations that are dedicated to  
 8 exemplary patient care, health science education and biomedical research, as well as  
 9 organizations providing facilities ~~and/or~~ **or** services deemed appropriate by the  
 10 authority, ~~to locate and/or operate in a functional geographic relationship with said~~  
 11 ~~complex.~~

12 \* \* \*

13 (3) To acquire or assist in the acquisition of land and the planning,  
 14 acquisition, construction, reconstruction, rehabilitation, improvement and  
 15 development of facilities in the ~~complex and~~ primary service area for the use of the  
 16 primary and participating institutions, and the development, acquisition,  
 17 construction, reconstruction, rehabilitation, improvement and operation of jointly  
 18 usable facilities for such institutions, ~~and,~~

19 \* \* \*

20 §3052. Definitions

21 The following terms shall have the following meanings, unless the context  
 22 clearly indicates otherwise:

23 \* \* \*

24 (6) "Participating institutions" shall mean those institutions which apply to  
 25 and are designated by the authority, other than primary institutions, and consisting  
 26 of ~~(a) public or private hospital, medical or health corporations or institutions located~~  
 27 ~~or desiring to locate in the complex or (b) public or private hospital,~~ **hospitals and**  
 28 medical or health corporations, or institutions which deliver medical or health  
 29 services or provide facilities ~~therefor outside the complex but~~ within the primary  
 30 service area.



1                   (4) ~~Two members shall be appointed by the governor from a list of six names~~  
2                   ~~submitted by the Executive Board of the Louisiana State Medical Society.~~

3                   (5) ~~One member shall be appointed by the governor from a list of six names~~  
4                   ~~submitted by the statewide dental associations.~~

5                   (6) ~~One member shall be appointed by the mayor of the city of New Orleans~~  
6                   ~~with the advice and consent of the Commission Council from a list of five names,~~  
7                   ~~one each submitted by the Board of Administrators of the Tulane Educational Fund,~~  
8                   ~~Tulane University of Louisiana; the Board of Administrators of Charity Hospital of~~  
9                   ~~Louisiana at New Orleans; the Board of Supervisors of Louisiana State University~~  
10                  ~~and Agricultural and Mechanical College; local dental association memberships~~  
11                  ~~including Orleans Parish dentists; and the Orleans Parish Medical Society.~~

12                  (7) ~~Three members shall be appointed by the governor from the state at~~  
13                  ~~large.~~

14                  C. No person appointed ~~directly~~ by the governor ~~or mayor or nominated by~~  
15                  ~~any of the nominating groups or individuals~~ shall be associated in any staff or  
16                  advisory capacity for which he receives payment for services from Louisiana State  
17                  University and Agricultural and Mechanical College, Tulane University of  
18                  Louisiana, ~~or Charity Hospital of Louisiana~~ **University Medical Center** at New  
19                  Orleans, any statewide dental association, or the Louisiana State Medical Society.

20                  D. Each appointment by the governor shall be submitted to the Senate for  
21                  confirmation.

22                  E. Members of the board ~~who are appointed by the governor~~ shall serve at  
23                  the pleasure of the governor. ~~The member appointed by the mayor of New Orleans~~  
24                  ~~shall serve a term of six years.~~

25                  F. A vacancy occurring on the board for any reason shall be filled in the  
26                  same manner as the original appointment.

27                  G. The board shall employ a professionally qualified executive director to  
28                  carry out the policies established by the board. ~~The secretary of the Department of~~  
29                  ~~Health and Hospitals shall employ such staff as is necessary to carry out the policies~~  
30                  ~~and directives of the board and to operate and administer the functions of the~~

1 authority. The compensation of the executive director shall be determined by the  
2 board and he shall be in the unclassified service of the state.

3 **§3053.1. Laws applicable to the Health Education Authority of Louisiana;**  
4 **audit of records by legislative auditor**

5 **A. The board and the authority shall be subject to the Public Records**  
6 **Law, R.S. 44:1 et seq.; the Open Meetings Law, R.S. 42:11 et seq.; and the Code**  
7 **of Governmental Ethics, R.S. 42:1101 et seq.**

8 **B. The board, in its capacity as the governing body of the authority,**  
9 **shall ensure that the books and records of the authority are audited by the**  
10 **legislative auditor in accordance with the provisions of R.S. 24:513.**

11 §3054. Meetings; rules; officers; compensation

12 A. The board shall adopt rules for the transaction of business and shall keep  
13 a record of its resolutions, transactions, findings and determinations. ~~Eight~~ **A**  
14 **majority of the appointed** members shall constitute a quorum for the transaction  
15 of business.

16 \* \* \*

17 §3055. Powers; duties; functions

18 To accomplish the purposes of this ~~Act~~ **Chapter**, and for the general welfare  
19 and health of the citizens of Louisiana, the ~~Health Education Authority of Louisiana~~  
20 **authority** shall have the following powers, duties, and functions:

21 \* \* \*

22 (5) To solicit, accept, and collect funds, federal, state, or local grants,  
23 donations, and contributions in cash or in property and to take by will or bequest,  
24 donation, devise, or other legal means, in trust or absolutely, ~~real or personal~~  
25 **immovable or movable** property, whether ~~tangible or intangible~~ **corporeal or**  
26 **incorporeal**, subject to the terms, conditions, or limitations contained in the  
27 instrument by which such property is acquired. The authority is hereby specifically  
28 empowered to serve as the beneficiary of a public trust heretofore or hereafter  
29 created pursuant to **the provisions of** R.S. 9:2341 ~~to~~ **through** 2347 ~~as now or~~  
30 ~~hereafter amended~~. The authority may also accept and expend any sum appropriated

1 by the federal government, the state of Louisiana, or any political subdivision or  
 2 agency thereof for the purpose of administering ~~this Act~~ **the provisions of this**  
 3 **Chapter** or for the carrying out of any purposes or functions of the authority  
 4 authorized ~~thereby~~ **in this Chapter**.

5 \* \* \*

6 (7) To own, hold, sell, mortgage, convey, lease, rent, alienate, and otherwise  
 7 manage, contract with reference to, or dispose of, all or any part of its property, ~~real~~  
 8 **immovable** or ~~personal~~ **movable**, or services, on any terms and conditions as may  
 9 be lawful and consistent with the provisions and objectives of this ~~Act~~ **Chapter**, and  
 10 likewise to invest all proceeds and income of such property in any type or kind of  
 11 property, ~~real~~ **immovable** or ~~personal, tangible or intangible~~ **movable, corporeal,**  
 12 **or incorporeal**, as appears advisable to the board; provided that the authority shall  
 13 not lease any facility acquired for demolition, including individual rooms or  
 14 apartments or housing accommodations acquired for such purpose, for longer than  
 15 a period of one year at a time.

16 \* \* \*

17 (10) To construct, acquire, reconstruct, rehabilitate, improve, repair, operate,  
 18 lease, as lessor or lessee, or to enter into contracts for the management and operation  
 19 of hospitals, sanitariums, clinics, laboratories, or any other facility, building, or  
 20 structure of the primary ~~and/or~~ **or** participating institutions in the ~~complex or~~ primary  
 21 service area which may be of use or benefit in the teaching, training, or practice of  
 22 medical science and the treatment of human ailments, or for such other facilities as  
 23 the authority shall find useful in the study of, research in, or treatment of illnesses  
 24 or infirmities. The authority may construct, acquire, reconstruct, rehabilitate,  
 25 improve, repair, operate, lease, as lessor or lessee, or enter into contracts for the  
 26 management and operation of support facilities for primary ~~and/or~~ **or** participating  
 27 institutions in the ~~complex or~~ primary service area that are useful, necessary, or  
 28 convenient for the orderly conduct of such institutions, including but not limited to:  
 29 parking facilities, ambulatory care facilities, office buildings for physicians or  
 30 dealers in medical accessories, dormitories, homes or residences for the medical

1 profession, including interns, nurses, students or other officers or employees of the  
 2 primary or participating institutions, or for the use of relatives or visitors of patients  
 3 in the hospitals or other institutions within the ~~complex~~ or primary service area. The  
 4 authority may finance, acquire property for and plan and acquire, construct,  
 5 reconstruct, rehabilitate or improve facilities for, and provide and operate, central  
 6 services and shared facilities for the common use of the primary and participating  
 7 institutions ~~in the complex~~. The authority may, at its option, rent, lease, or sell the  
 8 use of these facilities or services, or provide them at no cost. The authority may not  
 9 acquire, construct, reconstruct, rehabilitate, improve, or develop any of the facilities  
 10 herein authorized except at the request of any one of the primary or participating  
 11 institutions and, in the case of primary institutions, only if the authority has  
 12 determined, after a public hearing held thereon, that there is a public need and  
 13 necessity for the proposed facilities.

14 \* \* \*

15 §3056. Bonds of the authority

16 A.(1) To obtain funds to defray costs of the acquisition of land, the  
 17 acquisition or construction of buildings, structures, and other facilities, including  
 18 furnishings and equipment therefor, the authority may incur debt and issue bonds,  
 19 notes, and other evidence of indebtedness for an amount not in excess of ~~four~~  
 20 eight hundred million dollars. ~~Said~~ The bonds shall be negotiable instruments, and  
 21 shall be solely the obligations of the authority and not of the state of Louisiana. ~~Said~~  
 22 The bonds and the income thereof shall be exempt from all taxation in the state of  
 23 Louisiana. ~~Said~~ The bonds shall be payable out of the income, revenues, and receipts  
 24 derived or to be derived from the properties and facilities maintained and operated  
 25 by the authority or received by the authority from any other sources whatsoever,  
 26 including, ~~but not by way of~~ without limitation, other monies which, by law or  
 27 contract, may be made available to the authority; however, such bonds shall not be  
 28 payable out of any funds received by the authority under the Medicaid program. In  
 29 addition to the pledge of income, revenues, or receipts to secure ~~said~~ the bonds, the  
 30 authority may further secure their payment by a conventional mortgage upon any or

1 all of the properties constructed or acquired or to be constructed or acquired by it.  
 2 Such bonds shall be authorized and issued by resolution of the authority and shall be  
 3 of such series, bear such date or dates, mature at such time or times, bear interest at  
 4 such rate or rates, be in such denominations, be in such form, either coupon or fully  
 5 registered without coupons, carry such registration and exchangeability privileges,  
 6 be payable in such medium of payment and at such place or places, be subject to  
 7 such terms of redemption and be entitled to such priorities on the income, revenues,  
 8 and receipts of the authority as such resolution may provide. The bonds shall be  
 9 signed by such officers as the authority shall determine, and coupon bonds shall have  
 10 attached thereto interest coupons bearing the facsimile signatures of such officer or  
 11 officers as the authority shall designate. Any such bonds may be issued and  
 12 delivered, notwithstanding that one or more of the officers signing such bonds or the  
 13 officer or officers whose facsimile signature or signatures may be on the coupons  
 14 shall have ceased to be such officer or officers at the time such bonds shall actually  
 15 have been delivered. Such Notwithstanding any other law to the contrary, such  
 16 bonds may shall be sold by the authority in such manner and from time to time as  
 17 may be determined by the authority, and the authority may pay all expenses and  
 18 commissions which it may deem necessary or advantageous in connection with the  
 19 issuance and sale thereof.

20 \* \* \*

21 B. The authority may, in any resolution authorizing the issuance of ~~such~~  
 22 bonds, enter into such covenants with the future holder or holders of the bonds as to  
 23 the management and operation of facilities, the lease or rental thereof, the imposition  
 24 and collection of fees and charges for services and facilities furnished by the  
 25 authority, the disposition of such fees and revenues, the issuance of future bonds and  
 26 the creation of future liens and encumbrances against such facilities and the revenues  
 27 therefrom, the carrying of insurance on the facilities, the keeping of books and  
 28 records, and other pertinent matters, as may be deemed proper by the authority to  
 29 assure the marketability of the bonds, provided such covenants are not inconsistent  
 30 with the provisions of this Chapter. Any holder of the bonds or of any of the



1 coupons thereto attached may by appropriate legal action compel performance of all  
 2 duties required of the authority and officials thereof by the resolution authorizing the  
 3 issuance of bonds not inconsistent with the provisions of this Chapter. If any bond  
 4 issued hereunder is permitted to go into default as to principal or interest, any court  
 5 of competent jurisdiction may, pursuant to the application of the holder of the bond,  
 6 appoint a receiver for the facilities of the authority, which receiver shall ~~be under~~  
 7 **have** the duty of operating the facilities and collecting and distributing the revenues  
 8 thereof pledged to the payment of the bonds, pursuant to the provisions and  
 9 requirements of this ~~Act~~ **Chapter** and the resolution authorizing the bonds. As  
 10 ~~hereinbefore~~ provided **in this Section**, such bonds may in the discretion of the  
 11 authority be additionally secured by conventional mortgage on all or any part of the  
 12 properties or facilities acquired, constructed, extended, or improved with the  
 13 proceeds thereof, and the authority shall have full discretion to make such provisions  
 14 as it may see fit for the making and enforcement of such mortgage and the provisions  
 15 to be therein contained.

\* \* \*

17 H. No bonds of the authority shall be issued or sold by the ~~State Bond~~  
 18 ~~Commission~~ **authority** without the prior approval of the secretary of the Department  
 19 ~~of Health and Hospitals~~ **approval of the State Bond Commission**.

\* \* \*

21 §3058. Professional advisory committees

22 The authority shall appoint committees to assist in the carrying out of its  
 23 business. Membership on ~~said~~ **these** committees need not be restricted to primary  
 24 ~~and/or~~ **or** participating institutions ~~of the complex~~, but may be drawn from all  
 25 institutions, organizations, and persons concerned with the delivery of health  
 26 services. The authority shall also consult with advisory committees appointed by  
 27 medical and ~~health-related~~ **health-related** organizations and nonprovider consumer  
 28 groups.

29 Section 2. R.S. 36:651(D)(10) is hereby enacted to read as follows:

30 §651. Transfer of boards, commissions, departments, and agencies to Department

1 of Education; boards, commissions, and agencies within Department  
2 of Education

3 \* \* \*

4 D. The following agencies, as defined by R.S. 36:3, are transferred to and  
5 hereafter shall be within the Department of Education as provided in R.S. 36:801.1:

6 \* \* \*

7 **(10) The Health Education Authority of Louisiana (R.S. 17:3051 et seq.).**

8 \* \* \*

9 Section 3. R.S. 17:3052(1) and (4) and 3055(9) and R.S. 36:259(B) and R.S. 36:804  
10 are hereby repealed in their entirety.

11 Section 4. This Act shall become effective on August 1, 2016; if vetoed by the  
12 governor and subsequently approved by the legislature, this Act shall become effective on  
13 August 1, 2016, or on the day following such approval by the legislature, whichever is later.

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

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