

2019 Regular Session

HOUSE BILL NO. 396

BY REPRESENTATIVE ANDERS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

BANKS/BANKING: Provides relative to bank operating subsidiaries

1 AN ACT

2 To amend and reenact R.S. 6:822(3)(d) and 1229.1 and to enact R.S. 6:243(C)(1)(d) and  
3 246, relative to bank operating subsidiaries; to provide conditions for a state bank to  
4 hold immovable property in perpetuity; to provide for permitted conduct; to provide  
5 for notice; to provide for applicability; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 6:822(3)(d) and 1229.1 are hereby amended and reenacted and R.S.  
8 6:243(C)(1)(d) and 246 are hereby enacted to read as follows:

9 §243. Immovable property; dealings

10 \* \* \*

11 C.(1) A state bank may hold immovable property in perpetuity, exempt from  
12 the divestiture requirements of this Section, if all of the following conditions are met:

13 \* \* \*

14 (d) Written approval has been obtained from the commissioner.

15 \* \* \*

16 §246. Bank operating subsidiaries

17 A. A state bank may, through a wholly-owned operating subsidiary, conduct  
18 any activity or make any investment that the state bank is authorized to conduct or  
19 make under state or federal law. A state bank that establishes a subsidiary in  
20 accordance with this Subsection shall provide the commissioner written notice within  
21 thirty days after establishing the subsidiary or commencing the new activity in the  
22 subsidiary.

1           B. Except as provided in Subsection A of this Section, a state bank shall  
2           obtain written approval from the commissioner in order to conduct any activity  
3           through a subsidiary.

4   \*       \*       \*

5           §822. Loans and investments

6                       An association may invest in, sell, participate, or otherwise deal in or with the  
7           following loans or other investments as hereinafter provided:

8   \*       \*       \*

9                       (3) The following loans or investments are permitted, but are limited except  
10           as provided in this Section to not in excess of the percentage of the assets of the  
11           association set forth as follows:

12    \*       \*       \*

13                      (d) Real estate investments for other than association's offices. The  
14           provisions of R.S. 6:243 and 246, and the rules and regulations promulgated  
15           thereunder shall be applicable to associations in the same manner as they are  
16           applicable to banks.

17    \*       \*       \*

18           §1229.1. Applicability of rules and regulations

19                       The provisions of R.S. 6:243 and 246, and the rules and regulations  
20           promulgated thereunder shall be applicable to savings banks in the same manner as  
21           they are applicable to banks.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 396 Reengrossed                      2019 Regular Session                      Anders

**Abstract:** Relative to bank operating subsidiaries, provides conditions for a state bank to hold immovable property in perpetuity.

Present law allows a state bank to hold immovable property in perpetuity, exempt from the divestiture requirements in present law, if all of the following conditions are met:

- (1) The property is not being operated by the financial institution as an ongoing business.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

(2) The property has been written down to the value of one dollar on the books of the bank.

(3) The property has been transferred into a subsidiary of the bank.

Proposed law retains present law and adds the condition that written approval has been obtained from commissioner.

Proposed law provides that a state bank may, through a wholly-owned operating subsidiary, conduct any activity or make any investment that a state bank is authorized to conduct or make under present law.

Proposed law requires a state bank that establishes a subsidiary in accordance with proposed law to provide the commissioner written notice within the 30 days following the establishment of the subsidiary or commencement of the new activity in the subsidiary.

Proposed law requires a state bank to obtain written approval from the commissioner in order to conduct any activity through the subsidiary, except as provided for in proposed law.

Proposed law provides that proposed law shall be applicable to associations in the same manner as they are applicable to banks.

Proposed law provides that proposed law shall be applicable to savings banks in the same manner as they are applicable to banks.

(Amends R.S. 6:822(3)(d) and 1229.1; Adds R.S. 6:243(C)(1)(d) and 246)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Remove the authorization for a state bank, through a wholly-owned operating subsidiary, to conduct any activity or make any investment that a national bank is authorized to conduct or make under state or federal law.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.