

2019 Regular Session

SENATE BILL NO. 49

BY SENATOR FANNIN

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

TRUSTS. Provides relative to activities of out-of-state trust companies. (gov sig)

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AN ACT

To amend and reenact R.S. 6:626(A) and R.S. 9:1783(A), relative to trusts; to provide relative to Louisiana and out-of-state trust companies; to provide relative to offices and activities that may be conducted; to provide relative to entities qualifying as trustees; to provide certain terms and conditions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 6:626(A) is hereby amended and reenacted to read as follows:

§626. Out-of-state trust companies

~~A. An out-of-state trust company may act as a fiduciary in this state or engage in a trust business at an office in this state only to the extent that the state by which it is chartered allows a Louisiana institution to perform such trust activities therein. An out-of-state trust company may establish a representative trust office in Louisiana at which the out-of-state trust company may perform trust-related business, except that the company may not enter into any trust agreements pursuant to the laws of this state.~~

A.(1) An out-of-state trust company may act as a fiduciary from a trust office only if:

1 (a) The out-of-state trust company maintains a trust office in the state of
2 Louisiana; and

3 (b) In the state where the out-of-state trust company has its principal
4 location, similar institutions chartered under Louisiana law may establish
5 offices and engage in substantially similar activities authorized under this
6 Chapter.

7 (2) Subject to the requirements of Paragraph (A)(1) of this Section, an
8 out-of-state trust company that maintains one or more trust offices in the state
9 may at each office conduct any activity authorized to be conducted by a
10 Louisiana trust company under this Chapter.

11 (3) An out-of-state trust company may establish a trust representative
12 office in Louisiana at which the out-of-state trust company may perform trust-
13 related business, except that the company may not enter into any trust
14 agreements pursuant to the laws of this state.

15 * * *

16 Section 2. R.S. 9:1783(A) is hereby amended and reenacted to read as follows:

17 §1783. Who may be trustee

18 A. Only the following persons or entities may serve as a trustee of a trust
19 established pursuant to this Code:

20 (1) A natural person enjoying full capacity to contract who is a citizen or
21 resident alien of the United States, who may be the settlor, the beneficiary, or both.

22 (2) A federally insured depository institution organized under the laws of
23 Louisiana, another state, or of the United States, ~~or a financial institution or trust~~
24 ~~company authorized to exercise trust or fiduciary powers under the laws of Louisiana~~
25 ~~or of the United States.~~

26 (3) A financial institution or trust company organized under the laws of
27 Louisiana or the United States, authorized to exercise trust or fiduciary powers
28 under the laws of Louisiana or of the United States, or trust company organized
29 under the laws of another state and operating in Louisiana pursuant to R.S.

1 **6:626.**

2 * * *

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

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Xavier I. Alexander.

DIGEST

SB 49 Engrossed 2019 Regular Session Fannin

Present law, relative to trusts, provides for the creation and establishment of out-of-state trust companies and their activities.

Proposed law provides that an out-of-state trust company may act as a fiduciary from a trust office only if:

- (1) It maintains a trust office or branch in the state; and
- (2) The state where the out-of-state trust company has its principal location allows a Louisiana institution to perform substantially similar business activities.

Proposed law provides that an out-of-state trust company may at each office engage in the same activities as a Louisiana trust company.

Proposed law provides that an out-of-state trust company may establish a trust representative office in this state. Further provides that the company may not enter into any trust agreements.

Effective upon signature or lapse of time for gubernatorial action.

(Amends R.S. 6:626(A) and R.S. 9:1783(A))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary A to the
engrossed bill

1. Makes technical changes.
2. Removes proposed language that a trust company chartered in another state, operating in the state, can serve as a trustee of a trust.