

## RÉSUMÉ DIGEST

ACT 443 (SB 189)

2025 Regular Session

Jenkins

New law provides for the creation of the "State Land Banking Authority Act".

New law provides for definitions, including "authority" to mean a quasi-public nonprofit entity created by one or more local governments in accordance with new law.

New law provides that the governing body of a local government may establish a land bank authority in accordance with new law. Provides that the land bank authority shall be subject to the provisions of the Nonprofit Corporation Law. Provides that two or more local governments may elect to enter into an intergovernmental cooperation agreement to create a single land bank to act on behalf of the local governments.

New law requires that an ordinance adopted pursuant to new law include certain information, including but not limited to the name of the authority, the purpose of the authority, and the powers of the authority.

New law provides that the chief executive or mayor of the incorporating local government, or any other official designated in the ordinance establishing an authority, shall execute and file the articles of incorporation in accordance with the provisions of the Nonprofit Corporation Law and pay applicable filing fees to the secretary of state.

New law allows the governing authority of the incorporating local government amend the articles of incorporation of an authority. Provides that the proposed articles of amendment, adopted by ordinance, may contain any provision that lawfully may be contained in the articles of incorporation at the time of amendment.

New law provides that the governing authority shall take all steps to file the articles of amendments with the secretary of state and provides for effectiveness of the articles of amendments.

New law requires an entity incorporated pursuant to new law to follow the provisions of the Nonprofit Corporation Law when amending its articles of incorporation and articles of amendments or electing to terminate its operations.

New law provides that an ordinance that creates an authority shall establish a board to govern the authority and shall include provisions for:

- (1) Appointment of procedures.
- (2) Powers of the board.
- (3) Removal procedures.
- (4) Term lengths.
- (5) Election of a chair.

New law provides that except as limited by the authority's articles of incorporation, an authority has all the powers specified in new law.

New law provides that an authority may:

- (1) Acquire real property or rights or interests in real property, directly or through a person or governmental entity, by gift, devise, transfer, exchange, foreclosure, purchase, or otherwise on terms and conditions and in a manner the authority considers proper.
- (2) Own property in the authority's name, including tax foreclosed property and adjudicated property without clear title.
- (3) Sell, lease as lessor, transfer, and dispose of the authority's interest in property.

- (4) Procure insurance against loss in connection with the property, assets, or activities of the authority.
- (5) Execute deeds, mortgages, contracts, leases, purchases, or other agreements regarding the property of the authority.

New law provides that property purchased, owned, or sold under new law may not be located outside the jurisdiction of the local government in which the authority is located.

New law provides that an authority may quiet title or foreclose on a property in which it holds an interest by:

- (1) Conducting an examination of title to determine the identity of any person possessing a claim or interest in the property.
- (2) Filing a complaint to quiet title.

New law provides that an authority may employ staff and retain consultants and set their compensation.

New law provides that the court may appoint an authority to serve as a receiver in a receivership proceeding filed by a local government.

New law provides that an authority shall:

- (1) Adopt a code of ethics for the authority's directors, officers, and employees.
- (2) Establish policies and procedures requiring.
  - (a) The disclosure of relationships that may create a conflict of interest.
  - (b) Any member of the board with a direct or indirect interest in a matter before the authority to disclose the member's interest to the board before the board takes any action on the matter.
- (3) Comply with the Open Meetings Law.

New law provides that an authority may have the same immunities as the local government that creates the authority.

New law provides that with respect to property held or owned by the authority, the authority may:

- (1) Grant or acquire a license, an easement, or an option.
- (2) Set, charge, and collect rents, fees, and charges for use of the property.
- (3) Pay taxes or special assessments due.
- (4) Take any action, provide any notice, or institute any proceeding required to clear or quiet title in order to establish ownership by and vest title to property in the authority.
- (5) Abate violations of the local and state buildings, fire, health, and related codes.
- (6) Hold, manage, maintain, operate, repair, lease as lessor, secure, prevent the waste or deterioration of, or demolish the property and take all other actions necessary to preserve the value of the property.

New law provides that an authority shall be made a party to, and shall defend any action or proceeding concerning, claims against property held by the authority.

New law provides that property held by an authority shall be inventoried and classified according to title status and suitability for use. Provides that a clerk of the court may not charge a fee to record a document evidencing the transfer pursuant to new law of property to the authority by the state or a local government.

New law provides that after an unsuccessful attempt by the local government to collect an outstanding lien at tax sale and subject to the approval of governing body, or tax collector of the jurisdiction where the property is located, an authority may accept from a person with an interest in tax delinquent property, or tax sale property a deed or assignment conveying that person's interest in the property instead of:

- (1) Foreclosure or sale of the property for delinquent taxes, penalties, and interest.
- (2) Delinquent taxes imposed by a local taxing jurisdiction.

New law provides that after an unsuccessful attempt by the local government to collect outstanding liens that are delinquent and at the discretion of the governing body of the jurisdiction, or the tax collector where the property is located, an authority may accept from the local government with an interest in a tax delinquent property, or tax sale property its interest in the tax liens in the property.

New law provides that conveyance of property by deed instead of foreclosure or transfer of a lien or tax on property pursuant to new law may not affect or impair any other lien against the property or any existing recorded or unrecorded interest in the property, including any:

- (1) Easement of right-of-way.
- (2) Future installment of a special assessment.
- (3) Lien recorded by the state.
- (4) Private deed restriction.
- (5) Security interest or mortgage.
- (6) Tax lien of another taxing jurisdiction that does not consent to a release of its lien.

New law provides that a tax lien against property held by or under the control of an authority may be released or abated at any time by:

- (1) Local government with respect to a lien held by the local government.
- (2) Governing body of any taxing jurisdiction other than the state, parish, or municipality with respect to a lien held by the taxing jurisdiction.
- (3) Comptroller with respect to a state tax lien.

New law provides that an authority is exempt from any state or local tax or assessment on the authority's properties or activities or on any revenue from the properties or activities.

New law provides that an authority may bring a civil action to prevent, restrain, or enjoin the unlawful removal of any property from real property held by the authority.

New law provides that property of an authority is public property devoted to an essential public and governmental function and purpose.

New law provides that income of an authority is received for a public and government purpose.

New law provides that an authority is subject to any local:

- (1) Land use controls.
- (2) Permitting processes for construction, demolition, or repair of a property.
- (3) Zoning laws.

New law provides that an authority shall report annually on the activities of the authority to the local government where the authority is located.

New law provides that an authority may:

- (1) Issue bonds to pay the cost of acquiring or improving property.
- (2) Fund or refund the bonds.
- (3) Purchase bonds with any funds available.
- (4) Hold, pledge, cancel, or resell bonds.

New law provides that for each issue of an authority's bonds, the authority shall pass a resolution that:

- (1) Specifies and describes the project for which the proceeds of the bond issuance are intended.
- (2) Generally describes the public purpose and the financing transaction to be accomplished.
- (3) Specifies the maximum principal amount of the bonds that may be issued by the authority.
- (4) Imposes any terms or conditions on the issuance and sale of the bonds that the authority considers appropriate.

New law provides that the bonds shall mature within a period not to exceed 50 years after the date of issue.

New law provides that the corporate trustee under a trust agreement may be a trust company or bank that has the powers of a trust company in or outside of the state. Further provides that an expense incurred out the trust agreement or a resolution may be treated as part of the cost of the operation of a project.

New law provides that notwithstanding any other provision of new law, in a proceeding involving the validity or enforceability of a bond or the security for a bond, the determination of an authority under new law is conclusive and binding.

New law provides that bonds are securities:

- (1) That may be deposited with and received by a unit of the state or a political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state is authorized by law.
- (2) In which any of the following persons or entities may legally and properly invest money, including capital that the person or entity owns or controls:
  - (a) An officer or a unit of the state or a political subdivision of the state.
  - (b) A bank, a trust company, a savings and loan association, an investment company, or any other person conducting a banking business.
  - (c) An insurance company, an insurance association, or any other person conducting an insurance business.
  - (d) A personal representative, a guardian, a trustee, or any other fiduciary.
  - (e) Any other person.

New law provides that a bond is not:

- (1) A debt or liability of the state or a political subdivision of the state.
- (2) A pledge of the full faith and credit for the state or a political subdivision of the state.

New law provides that an authority may:

- (1) Impose rates, rents, fees, and charges related to project and for the services related to a project.

- (2) Contract with any person or governmental entity to exercise its authority under new law.

New law provides that the rates, rents, fees, and charges established by an authority under new law shall be imposed and adjusted so that the aggregate amount of the rates, rents, fees, and charges from the project, when added to other available money, is sufficient to:

- (1) Pay for the expense for the project.
- (2) Pay the principal of and the interest on the bonds that the authority issued for the project as they become due and payable.
- (3) Create and maintain reserves required or provided for in a trust agreement.

New law provides that any pledge of revenues and other money under new law is valid and binding from the time the pledge is made.

New law provides that proceeds from the sale of bonds and other revenues received under new law are trust funds to be held and applied solely as provided in new law.

New law provides that an authority may issue bonds to refund outstanding bonds of the authority, including paying:

- (1) Any redemption premium.
- (2) Interest accrued or to accrue to the date of redemption, purchase, or maturity of the bonds.
- (3) Any part of the cost of acquiring or improving property as part of a project.

New law provides that an authority may issue negotiable bond anticipation notes in anticipation of the sale of bonds for any corporate purpose.

New law provides that an authority shall convey title to property relating to a project and release collateral in accordance with new law when:

- (1) The principal of an interest on bonds issued to finance or refinance the project, including any refunding bonds, have been fully paid and retired, or adequate provision has been made to fully pay and retire the bonds.
- (2) All other conditions of trust agreement have been satisfied.
- (3) The lien of the trust agreement has been released.

New law provides that on satisfaction of the conditions under new law, an authority promptly shall execute any deed, conveyance, release, or document and take any other action necessary to convey title to the property and release collateral free of any lien or encumbrance created through the authority.

New law provides that a bondholder, a holder of any coupons attached to bonds, or a trustee under a trust agreement securing the bonds may sue:

- (1) To protect and enforce rights under state law or a trust agreement.
- (2) To enforce and compel the performance of duties by an authority or its officer, employee, or agent that this subtitle or a trust agreement requires, including imposing rates, rents, fees, and charges that the trust agreement requires to be imposed.

New law provides that the rights under new law are subject to any trust agreement.

Effective August 1, 2025.

(Adds R.S. 40:599.1-599.32)