SENATE BILL NO. 144

BY SENATOR MARTINY

| 1 | AN ACT |
|----|---|
| 2 | To amend and reenact R.S. 6:243(B)(1) and (2)(a) and (b), relative to immovable property; |
| 3 | to provide for the accounting for immovable property held by a state bank; and to |
| 4 | provide for related matters. |
| 5 | Be it enacted by the Legislature of Louisiana: |
| 6 | Section 1. R.S. 6:243(B)(1) and (2)(a) and (b) are hereby amended and reenacted to |
| 7 | read as follows: |
| 8 | §243. Immovable property; dealings |
| 9 | A. * * * |
| 10 | B.(1) Except for property held pursuant to Paragraphs $(A)(1)$ and $(A)(5)$ of |
| 11 | this Section, a state bank shall not hold immovable property as an asset for a longer |
| 12 | time than ten years. Any bank holding immovable property which is subject to the |
| 13 | ten-year divestiture period shall enter the immovable property on its books at fair |
| 14 | market value, or acquisition cost, whichever is lower in accordance with generally |
| 15 | accepted accounting principles (GAAP). |
| 16 | (2)(a) A state bank shall obtain annually, within a reasonable time as |
| 17 | determined by the commissioner, from a qualified appraiser a current appraisal of the |
| 18 | fair market value of any such property valued at an amount greater than two hundred |
| 19 | fifty thousand dollars and shall reduce the value of any property on its books if the |
| 20 | fair market value has declined account for the property in accordance with |
| 21 | <u>GAAP</u> . |
| 22 | (b) For property valued at less than two hundred fifty thousand dollars, a state |
| 23 | bank shall annually perform an adequate evaluation of such property. If it is |
| 24 | determined after After adequate evaluation that of the property, has a value that is |

Page 1 of 2 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

SB NO. 144

ENROLLED

| 1 | less than its book value, then the book value shall be reduced to reflect the correct |
|---|---|
| 2 | valuation of the property in accordance with policies adopted by the commissioner |
| 3 | a state bank shall account for the property in accordance with GAAP. The |
| 4 | commissioner may require a state bank to obtain an appraisal by a qualified appraiser |
| 5 | of a piece of property valued at less than two hundred fifty thousand dollars, if it is |
| 6 | necessary for safety and soundness reasons. |
| 7 | * * * |

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____