

1 Section 1. Part VIII of Chapter 3 of Title 40 of the Louisiana Revised Statutes of
2 1950, comprised of R.S. 40:599.1 through 599.32, is hereby enacted to read as follows:

3 **PART VIII. STATE LAND BANKING AUTHORITY ACT**

4 **§599.1. Declaration of purpose**

5 **The legislature hereby finds and declares the following:**

6 **(1) There exists in many cities of the state economically and physically**
7 **depressed areas which, among other things, suffer from high unemployment,**
8 **substandard and deteriorated structures, vacant and partially used lots, high**
9 **crime rates, and other blighting influences and undesirable conditions.**

10 **(2) Since the economic and physical ills and problems of depressed areas**
11 **typically necessitate the infusion of tax-supported services, improvements, and**
12 **assistance to relieve and remedy, it is a matter of public policy and concern that**
13 **corrective measures be taken.**

14 **§599.2. Definitions**

15 **The following terms, whenever used or referred to in this Part, have the**
16 **following respective meanings, unless a different meaning clearly appears from**
17 **the context:**

18 **(1) "Authority" means a quasi-public nonprofit entity created by one or**
19 **more local governments under this Part.**

20 **(2) "Board" means the board of directors of an authority.**

21 **(3) "Bond" means a bond issued by an authority under this Part.**
22 **"Bond" shall include a bond, a refunding bond, a note, and any other**
23 **obligation.**

24 **(4) "Cost" means:**

25 **(a) Purchase price of property.**

26 **(b) Cost of any improvements made to property.**

27 **(c) Amount to be paid to discharge each obligation necessary or desirable**
28 **to vest title to any part of the property in an authority or other owner.**

29 **(d) Amount to be paid to discharge each obligation necessary or**

1 desirable to vest title to any party of property in an authority or other owner.

2 (e) Cost of any property, right, easement, franchise, or permit associated
3 with a project.

4 (f) Cost of labor, machinery, and equipment necessary to implement a
5 project.

6 (g) Financing charges.

7 (h) Interest and reserves for principal and interest and for
8 improvements.

9 (i) Cost of revenue and cost estimates, engineering and legal services,
10 plans, specifications, studies, surveys, and other expenses necessary or incident
11 to determining the feasibility or practicability of a project.

12 (j) Administrative expenses.

13 (k) Other expenses as necessary or incident to:

14 (i) Financing a project.

15 (ii) Acquiring and improving a project.

16 (iii) Placing a project in operation, including reasonable provisions for
17 working capital.

18 (iv) Operating and maintaining a project.

19 (5) "Local government" means a municipality or a parish.

20 (6) "Project" means any organized plan carried out by an authority in
21 relation to:

22 (a) Acquiring and rehabilitating abandoned and dilapidated properties.

23 (b) Marketing and leasing, selling, or otherwise transferring the
24 rehabilitated properties.

25 (7) "Project" includes:

26 (a) Acquiring land or an interest in land.

27 (b) Acquiring structures, equipment, and furnishings located on a
28 property.

29 (c) Acquiring property that is functionally related and subordinate to a

1 project.

2 (d) Obtaining or contracting for any services necessary for the
3 rehabilitation of a property.

4 (8) "Revenue" means the income, revenue, and other money an authority
5 receives from or in connection with a project and all other income of an
6 authority. Revenue includes grants, rentals, rates, fees, and charges.

7 (9) "Tax sale property" means property or an interest in property sold
8 by the tax collector of the parish or for which interest has been adjudicated by
9 a local government.

10 (10) "Trust agreement" means an agreement entered into by an
11 authority to secure a bond. Trust agreement includes a bond contract, bond
12 resolution, or other contract with or for the benefit of a bondholder.

13 §599.3. General

14 A. The provisions of this Part shall be liberally construed to accomplish
15 its purposes.

16 B. The powers granted to and under this Part are supplemental to
17 powers granted to an authority under any other law.

18 C. The provisions of this Part does not authorize an authority to:

19 (1) Exercise the power of eminent domain.

20 (2) Impose any tax or special assessment.

21 §599.4. Establishment

22 A. The governing body of a local government may establish a land bank
23 authority in accordance with this Part, which shall be subject to the provisions
24 of the Nonprofit Corporation Law, R.S. 12:201 et seq.

25 B. Two or more local governments may elect to enter into an
26 intergovernmental cooperation agreement to create a single land bank to act on
27 behalf of the local governments.

28 C. An ordinance adopted under this Section:

29 (1) Is administrative in nature.

1 **(2) Is not subject to referendum.**

2 **(3) In a parish that has a publicly elected parish executive or in a**
3 **municipality that has a publicly elected chief executive or mayor, is subject to**
4 **approval by the parish executive, chief executive, or mayor.**

5 **D. An ordinance adopted under the provisions of this Part shall include**
6 **all of the following:**

7 **(1) The name of the authority, which shall be "Land Bank Authority of**
8 **(name of the incorporating local government)".**

9 **(2) The authority is formed under this Part.**

10 **(3) The names, addresses, and terms of office of the initial members of**
11 **the board.**

12 **(4) The address of the principal office of the authority.**

13 **(5) The purposes for which the authority is formed.**

14 **(6) The powers of the authority, subject to the limitations of this Part.**

15 **E.(1)(a) The chief executive or mayor of the incorporating local**
16 **government, or any other official designated in the ordinance establishing an**
17 **authority, shall execute and file the articles of incorporation in accordance with**
18 **the provisions of the Nonprofit Corporation Law, R.S. 12:201 et seq., and pay**
19 **applicable filing fees in accordance with R.S. 49:222, to the secretary of state.**

20 **(b) An entity incorporated pursuant to this Part shall not be subject to**
21 **the restrictions in R.S. 12:204.**

22 **(2) When the articles of incorporation are filed in accordance with the**
23 **requirements of this Section, the authority becomes a body politic and corporate**
24 **and an instrumentality of the incorporating local government.**

25 **(3) Filing of the articles of incorporation with the secretary of state is**
26 **conclusive evidence of the formation of the authority.**

27 **F.(1) By ordinance, the governing authority of the incorporating local**
28 **government may seek to amend the articles of incorporation of an authority.**

29 **(2) The proposed articles of amendment, passed by ordinance, may**

1 contain any provision that lawfully may be contained in articles of
2 incorporation at the time of the amendment.

3 (3) The governing authority shall take all steps to file the articles of
4 amendment with the secretary of state.

5 (4) The articles of amendment are effective as of the time the articles of
6 amendment are filed with the secretary of state in accordance with the
7 provisions of the Nonprofit Corporation Law, R.S. 12:201 et seq.

8 G. Subject to this Part and any limitations imposed by law on the
9 impairment of contracts, the incorporating local government, in its sole
10 discretion, by ordinance may:

11 (1) Set or change the structure, organization, procedures, programs, or
12 activities of an authority.

13 (2) Terminate the authority.

14 (3) If one or more local governments engaged in an intergovernmental
15 cooperation agreement decide not to terminate the authority, the authority may
16 continue to operate if:

17 (a) The name of the authority is revised to remove the local government
18 that has decided to terminate its participation in the authority by withdrawal.

19 (b) The withdrawing local government designates all property to remain
20 with the authority.

21 (i) On demand of a withdrawing local government that is a municipality,
22 all property located wholly within the municipality shall be transferred to the
23 municipality.

24 (ii) On demand of a withdrawing local government that is a parish, all
25 property located wholly within the parish and outside any municipality
26 participating in the intergovernmental cooperation agreement shall be
27 transferred to the parish.

28 (iii) All obligations of the authority to the withdrawing local government
29 and of the withdrawing local government to the authority are assumed by the

1 withdrawing local government.

2 (4) Notwithstanding the provisions of this Section, an entity incorporated
3 pursuant to this Part shall be required to follow the provisions of the Nonprofit
4 Corporation Law, R.S. 12:201 et seq., when amending its articles of
5 incorporation and articles of amendment or electing to terminate its operations.

6 H. On termination of the authority:

7 (1) Title to all property of the authority shall be transferred to and shall
8 vest in the incorporating local government.

9 (2) All obligations of the authority shall be transferred to and assumed
10 by the incorporating local government.

11 §599.5. Board of directors

12 An ordinance that creates an authority shall establish a board to govern
13 the authority and shall include provisions for:

14 (1) Appointment of procedures.

15 (2) Powers of the board.

16 (3) Removal procedures.

17 (4) Term lengths.

18 (5) The election of a chair.

19 §599.6. Powers

20 A. Except as limited by the authority's articles of incorporation, an
21 authority has all the powers specified in this Part.

22 B. An authority may:

23 (1) Adopt, amend, and repeal bylaws for the conduct of business of the
24 authority.

25 (2) Sue and be sued.

26 (3) Maintain an office at a place the authority designates.

27 (4) Borrow money.

28 (5) Issue bonds and other obligations for any corporate purpose in
29 accordance with this Subtitle or an ordinance adopted under this Subtitle.

1 (6) Invest money of the authority in instruments, obligations, securities,
2 or property.

3 (7) Enter into contracts and execute the instruments or agreements
4 necessary or convenient to carry out this part or an ordinance adopted under
5 this Part to accomplish the purposes of the authority.

6 (8) Solicit and accept gifts, grants, loans, or other assistance in any form
7 from any public or private source, subject to this subtitle or any ordinance
8 adopted under this Part.

9 (9) Participate in a program of the federal government, the state, a
10 political subdivision of the State, or an intergovernmental entity created under
11 state law.

12 (10) Contract for goods and services.

13 (11) Study, develop, and prepare reports or plans to assist in the
14 authority's exercise of powers and to monitor and evaluate the authority's
15 progress.

16 (12) Contract with public or private entities for services necessary to
17 manage and operate the authority.

18 (13) Provide acquisition, management, and sale services to a local
19 government for property owned by the local government.

20 (14) Create, own, control, or be a member of a corporation, limited
21 liability company, partnership, or other person, whether operated for profit or
22 not for profit, for the purposes of development property in order to maximize
23 marketability.

24 (15) Exercise a power usually possessed by a private corporation in
25 performing similar functions, unless to do so would conflict with state law.

26 (16) Insure against losses in connection with the real property, assets, or
27 activity of the authority.

28 (17) Design, develop, construct, demolish, rehabilitate, renovate, relocate,
29 and otherwise improve real property or interest in real property.

1 **(18) Raise revenue by a legal means required to make the operations and**
2 **activities of the authority self-sustaining.**

3 **(19) Do all things necessary or convenient to carry out the powers**
4 **expressly granted by this subtitle or by an ordinance adopted under this Part.**

5 **C. An authority may delegate to a member or officer a power granted to**
6 **the authority by this Part, including the power to execute a bond, obligation,**
7 **certificate, deed, lease, mortgage agreement, or other document or instrument.**

8 **§599.7. Property**

9 **A. An authority may:**

10 **(1) Acquire real property or rights or interests in real property, directly**
11 **or through a person or governmental entity, by gift, devise, transfer, exchange,**
12 **foreclosure, purchase, or otherwise on terms and conditions and in a manner**
13 **the authority considers proper.**

14 **(2) Own property in the authority's name, including tax foreclosed**
15 **property and adjudicated property without clear title.**

16 **(3) Sell, lease as lessor, transfer, and dispose of the authority's interest**
17 **in property.**

18 **(4) Procure insurance against loss in connection with the property,**
19 **assets, or activities of the authority.**

20 **(5) Execute deeds, mortgages, contracts, leases, purchases, or other**
21 **agreements regarding the property of the authority.**

22 **B. Property purchased, owned, or sold under this Part may not be**
23 **located outside the jurisdiction of the local government in which the authority**
24 **is located.**

25 **C.(1) An authority may quiet title or foreclose on a property in which it**
26 **holds an interest by:**

27 **(a) Conducting an examination of title to determine the identity of any**
28 **person possessing a claim or interest in the property.**

29 **(b) Filing a complaint to quiet title.**

1 (2) An authority may join a single complaint to quiet title or foreclose on
2 one or more parcels of real property.

3 §599.8. Staff and consultants

4 An authority may employ staff and retain consultants; and set their
5 compensation.

6 §599.9. Appointment of a receiver

7 The court may appoint an authority to serve as a receiver in a
8 receivership proceeding filed by a local government.

9 §599.10. Internal administration

10 A. An authority shall:

11 (1) Adopt a code of ethics for the authority's directors, officers, and
12 employees.

13 (2) Establish policies and procedures requiring:

14 (a) The disclosure of relationships that may create a conflict of interest.

15 (b) Any member of the board with a direct or indirect interest in a
16 matter before the authority to disclose the member's interest to the board
17 before the board takes any action on the matter.

18 (3) Comply with the Open Meetings Law.

19 B. Except as otherwise provided in this Part or the ordinance
20 establishing an authority, the procedures of the incorporating local government
21 control any matter relating to the internal administration of an authority.

22 §599.11. Immunity

23 An authority may have the same immunities as the local government that
24 creates the authority.

25 §599.12. Property rights

26 A. With respect to property held or owned by the authority, the
27 authority may:

28 (1) Grant or acquire a license, an easement, or an option.

29 (2) Set, charge, and collect rents, fees, and charges for use of the

1 property.

2 (3) Pay taxes or special assessments due.

3 (4) Take any action, provide any notice, or institute any proceeding
4 required to clear or quiet title in order to establish ownership by and vest title
5 to property in the authority.

6 (5) Abate violations of the local and state buildings, fire, health, and
7 related codes.

8 (6) Hold, manage, maintain, operate, repair, lease or lessor, secure, and
9 prevent the waste or deterioration of, or demolish the property and take all
10 other actions necessary to preserve the value of the property.

11 B. An authority shall be made a party to, and shall defend any action or
12 proceeding concerning, claims against property held by the authority.

13 §599.13. Inventory and classification

14 A. Property held by an authority shall be inventoried and classified
15 according to title status and suitability for use.

16 B. A clerk of the court may not charge a fee to record a document
17 evidencing the transfer under this Part of property to the authority by the state
18 or a local government.

19 §599.14. Outstanding tax liens

20 A.(1) After an unsuccessful attempt by the local government to collect an
21 outstanding lien at tax sale and subject to the approval of governing body, or
22 tax collector of the jurisdiction where the property is located, an authority may
23 accept from a person with an interest in tax delinquent property, or tax sale
24 property a deed or assignment conveying that person's interest in the property
25 instead of:

26 (a) The foreclosure or sale of the property for delinquent taxes, penalties,
27 and interest.

28 (b) Delinquent taxes imposed by a local taxing jurisdiction.

29 (2)(a) After an unsuccessful attempt by the local government to collect

1 outstanding liens that are delinquent and at the discretion of the governing body
 2 of the jurisdiction, or the tax collector where the property is located, an
 3 authority may accept from the local government with an interest in a tax
 4 delinquent property, or tax sale property its interest in the tax liens in the
 5 property.

6 (b) The authority may:

7 (i) Collect on liens or taxes collected under Subparagraph (A)(1)(a) of
 8 this Paragraph and retain all payment of taxes, liens, penalties, or any interest
 9 on the liens or taxes.

10 (ii) Foreclose on, enter into a deed in lieu of foreclosure, or sell the
 11 property for the liens or taxes and retain all payment of taxes, penalties, or
 12 interest on the liens or taxes and the costs of selling the property and, if any
 13 other net proceeds remain from the sale, return any net proceeds to the tax
 14 collector for distribution on a pro rata basis to the appropriate taxing units in
 15 a ration equal to the delinquent taxes, penalties, and interest owed on the
 16 property.

17 B. Conveyance of property by deed instead of foreclosure or transfer of
 18 a lien or tax on property under this Section may not affect or impair any other
 19 lien against the property or any existing recorded or unrecorded interest in the
 20 property, including any:

21 (1) Easement of right-of-way.

22 (2) Future installment of a special assessment.

23 (3) Lien recorded by the state.

24 (4) Private deed restriction.

25 (5) Security interest or mortgage.

26 (6) Tax lien of another taxing jurisdiction that does not consent to a
 27 release of its lien.

28 C. A tax lien against property held by or under the control of an
 29 authority may be released or abated at any time by:

1 (1) A local government with respect to a lien held by the local
2 government.

3 (2) The governing body of any taxing jurisdiction other than the state,
4 parish, or municipality with respect to a lien held by the taxing jurisdiction.

5 (3) The comptroller with respect to a state tax lien.

6 §599.15. Money and proceeds

7 A. Except as provided in Subsections C and D of this Section, money
8 received by an authority as payment of taxes, penalties, or interest, or from the
9 redemption or sale of property subject to a tax lien of any taxing unit, shall be
10 returned to the tax collector in the jurisdiction where the property is located for
11 distribution on a pro rata basis to the appropriate taxing units in an amount
12 equal to delinquent taxes, penalties, and interest owed on the property.

13 B. Proceeds received by an authority may be retained by the authority
14 for the purposes of this Part, unless otherwise designated by:

15 (1) An agreement of the authority.

16 (2) The provisions of a deed.

17 (3) This subtitle.

18 (4) Any other law.

19 C. Money received by an authority as payment of taxes, penalties, or
20 interest, or from the redemption or sale of property subject to a tax lien of any
21 taxing unit may be retained by an authority under a written agreement with a
22 local government or a law enacted by the legislative body of a local government.

23 D.(1) To facilitate a transfer of real property to an authority, the
24 governing body for the jurisdiction where the real property is located may
25 release any liens for unpaid real property taxes or other charges and
26 assessments imposed by the governing body to which the property would be
27 otherwise subject, if:

28 (a) The total amount of liens for unpaid real property taxes, charges, and
29 assessments imposed with respect to the property exceeds the lesser of the total

1 value of the land and any improvement on the land as last determined by the tax
2 assessor of the governing body or as determined by an appraisal report
3 prepared, not more than six months before the request for the release of the
4 lien, by a real estate appraiser who is licensed.

5 (b) The tax collector for the local government has sold real property at
6 a tax sale, but the tax sale certificate has become void.

7 (2) The code of enforcement office, housing, department, or equivalent
8 department or agency of the local government of the jurisdiction where the tax
9 lien is held certifies that the property:

10 (a) Is a vacant lot.

11 (b) Has a building or structure that is:

12 (i) Vacant.

13 (ii) Unsafe or unfit for habitation.

14 (3) The authority finds that a transfer under this Section is necessary:

15 (a) To eliminate a blighting influence.

16 (b) To prevent the tax abandonment of a property.

17 E. The release of a lien for real property taxes, charges, or assessments
18 as authorized under Paragraph (1) of this Subsection does not abate the
19 transferor's liability for the remaining amount of the tax debt.

20 F. The governing body of a jurisdiction may set additional standards and
21 requirements for approval of the release of liens under this Section.

22 §599.16. State and local taxes

23 A. An authority is exempt from any state or local tax or assessment on
24 the authority's properties or activities or on any revenue from the properties or
25 activities.

26 B. Except as provided in Subsection D of this Section, property that an
27 authority sells or leases to a private entity is subject to state and local property
28 taxes from the time of the sale or lease.

29 C. The principal of an interest on bonds, the transfer of bonds, and any

1 income derived from the bonds, including profits made on their sale or transfer,
2 are exempt from all state and local taxes.

3 D. Sale or lease to a nonprofit organization is exempt from state and
4 local property taxes from the time of sale or lease, if:

5 (1) The nonprofit organization has entered into an agreement with an
6 authority to redevelop the property.

7 (2) The agreement is in force and effect and not defaulted on within the
8 application period.

9 §599.17. Civil Action

10 A. An authority may bring a civil action to prevent, restrain, or enjoin
11 unlawful removal of any property from real property held by the authority.

12 B.(1) An authority shall be made a party to any action to set aside:

13 (a) Title to property the authority holds.

14 (b) The sale of property by the authority.

15 (2) A hearing in an action under this Subsection may not be held until
16 the authority is served.

17 §599.18. Public Property

18 A. Property of an authority is public property devoted to an essential
19 public and governmental function and purpose.

20 B. Income of an authority is received for a public and governmental
21 purpose.

22 §599.19. Local laws

23 An authority is subject to any local:

24 (1) Land use controls.

25 (2) Permitting processes for construction, demolition, or repair of a
26 property.

27 (3) Zoning laws.

28 §599.20. Report

29 An authority shall report annually on the activities of the authority to the

1 local government where the authority is located.

2 §599.21. Bonds

3 A.(1) An authority may:

4 (a) Issue bonds to pay the cost of acquiring or improving property.

5 (b) Fund or refund the bonds.

6 (c) Purchase bonds with any funds available.

7 (d) Hold, pledge, cancel, or resell bonds.

8 (2) By resolution, an authority may authorize the chair, one of the
9 authority's members, or a committee of the members to determine or provide
10 for any matter relating to bonds that the authority considers appropriate,
11 including:

12 (a) Specifying, determining, requiring, and approving matters,
13 documents, and procedures that relate to the authorization, sale, security,
14 issuance, delivery, and payment of and for the bonds.

15 (b) Creating security for the bonds.

16 (c) Providing for the administration of bond issues.

17 (3) The power granted in Paragraph (2) of this Subsection is in addition
18 to powers conferred on the authority by this Part and does not limit any power
19 of the authority under this Part.

20 (4) Within the limits that the authority sets, the authority may authorize
21 the executive director to take any of the actions described in Paragraph (2) of
22 this Subsection.

23 B. An authority may issue the bonds at one time or in one more series.

24 C. For each issue of an authority's bonds, the authority shall pass a
25 resolution that:

26 (1) Specifies and describes the project for which the proceeds of the bond
27 issuance are intended.

28 (2) Generally describes the public purpose and the financing transaction
29 to be accomplished.

1 **(3) Specifies the maximum principal amount of the bonds that may be**
2 **issued by the authority.**

3 **(4) Imposes any terms or conditions on the issuance and sale of the bonds**
4 **that the authority considers appropriate.**

5 **D. Subject to any provision for their registration, bonds are negotiable**
6 **instruments for all purposes regardless of whether they are payable from a**
7 **special fund.**

8 **E.(1) The bonds may be serial bonds, term bonds, or both.**

9 **(2) Subject to any delegation under Subsection (A)(3) of this Subsection,**
10 **the resolution authorizing bonds may provide:**

11 **(a) The dates of the bonds.**

12 **(b) The maturity dates of the bonds.**

13 **(c) The interest rates on the bonds.**

14 **(d) The time at which the bonds will be payable.**

15 **(e) The denominations of the bonds.**

16 **(f) Whether the bonds will be in coupon or registered form.**

17 **(g) Any registration privileges of the bonds.**

18 **(h) The manner of execution of the bonds.**

19 **(i) The place at which the bonds will be payable.**

20 **(j) Any terms of redemption of the bonds.**

21 **(3) The bonds shall mature within a period not to exceed fifty years after**
22 **the date of issue.**

23 **(4) The bonds shall be payable in United States currency.**

24 **F. An authority shall sell the bonds at competitive or negotiated sale in**
25 **a manner and for a price the authority determines to be in the authority's best**
26 **interest.**

27 **G. An officer's signature or facsimile on a bond remains valid if the**
28 **officer leaves office before the bond is delivered.**

29 **H. Pending preparation of the definitive bonds, an authority may issue**

1 interim receipts or certificates that will be exchanged for definitive bonds.

2 I. A trust agreement authorizing bonds may contain provisions that are
3 part of the contract with bondholders, including:

4 (1) The rates, rentals, fees, and other charges, the amounts to be raised
5 in each year, and the use and disposition of the revenues.

6 (2) The setting aside of reserves and sinking funds and their disposition.

7 (3) Limits on the right of the authority or the authority's agents to
8 restrict and regulate the use of a project.

9 (4) Limits on the purpose to which the proceeds of the sale of bonds may
10 be applied.

11 (5) Limits on issuing additional bonds and refunding bonds and the
12 terms under which additional bonds may be issued and secured.

13 (6) The procedure to amend or abrogate the terms of a contract with
14 bondholders and the requirements for consent.

15 (7) Limits on the amount of project revenues to be expended for
16 operating, administrative, or other expenses of the authority.

17 (8) The acts or omissions that constitute default by the authority and the
18 rights and remedies of the bondholders in a default.

19 (9) The conveyance or mortgaging of a project and its site to secure the
20 bondholders.

21 (10) Creation and disposition of a collateral fund to secure the
22 bondholders.

23 (11) Pledging the following to secure payment of bonds, subject to any
24 existing agreements with bondholders:

25 (a) The full faith and credit of an authority.

26 (b) Revenues of a project.

27 (c) A revenue-producing contract the authority has made with a person
28 or public entity.

29 (d) The proceeds of the sale of bonds.

1 **J. The members of an authority and a person executing the bonds may**
2 **not be held liable personally on the bonds.**

3 **§599.22. Trust agreement**

4 **A. The corporate trustee under a trust agreement may be a trust**
5 **company or bank that has the powers of a trust company in or outside of the**
6 **state.**

7 **B. An expense incurred out the trust agreement or a resolution may be**
8 **treated as part of the cost of the operation of a project.**

9 **§599.23. Conclusiveness and binding determination of authority**

10 **Notwithstanding any other provision of this Part, in a proceeding**
11 **involving the validity or enforceability of a bond or the security for a bond, the**
12 **determination of an authority under this Part is conclusive and binding.**

13 **§599.24. Securities**

14 **Bonds are securities:**

15 **(1) That may be deposited with and received by a unit of the state or a**
16 **political subdivision of the state for any purpose for which the deposit of bonds**
17 **or obligations of the state is authorized by law.**

18 **(2) In which any of the following persons or entities may legally and**
19 **properly invest money, including capital that the person or entity owns or**
20 **controls:**

21 **(a) An officer or a unit of the state or a political subdivision of the state.**

22 **(b) A bank, a trust company, a savings and loan association, an**
23 **investment company, or any other person conducting a banking business.**

24 **(c) An insurance company, an insurance association, or any other person**
25 **conducting an insurance business.**

26 **(d) A personal representative, a guardian, a trustee, or any other**
27 **fiduciary.**

28 **(e) Any other person.**

29 **§599.25. Liability; full faith and credit**

1 **A. A bond is not:**

2 **(1) A debt or liability of the state or a political subdivision of the state.**

3 **(2) A pledge of the full faith and credit of the state or a political**
4 **subdivision of the state.**

5 **B. Each bond shall state on its face that neither the state nor a political**
6 **subdivision of the state is obliged to pay the principal of or interest on the bond**
7 **except from revenues pledged to the payment of the bond.**

8 **C. The issuance of bonds does not directly, indirectly, or contingently**
9 **obligate the state or any political subdivision:**

10 **(1) To impose or pledge a tax to pay the bonds.**

11 **(2) To appropriate money to pay the bonds.**

12 **D. The provisions of this Section do not prohibit an authority from**
13 **pledging its full faith and credit in connection with the issuance of bonds.**

14 **§599.26. Rates, rents, and fees**

15 **A. An authority may:**

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

18 **(2) Contract with any person or governmental entity to exercise its**
19 **authority under this Section.**

20 **B. The rates, rents, fees, and charges established by an authority under**
21 **this Section shall be imposed and adjusted so that the aggregate amount of the**
22 **rates, rents, fees, and charges from the project, when added to other available**
23 **money, is sufficient to:**

24 **(1) Pay for the expense for the project.**

25 **(2) Pay the principal of and the interest on the bonds that the authority**
26 **issued for the project as they become due and payable.**

27 **(3) Create and maintain reserves required or provided for in a trust**
28 **agreement.**

29 **C. The rates, rents, fees, and charges established by an authority under**

1 this Section are not subject to supervision or regulation by any unit of the state.

2 §599.27. Pledge of Revenue

3 A.(1) Any pledge of revenues and other money under this Part is valid
4 and binding from the time the pledge is made.

5 (2)(a) The revenue or money that an authority pledges and receives is
6 subject immediately to the lien of the pledge.

7 (b) Neither physical delivery of the revenue or money nor any other act
8 is required to validate the lien.

9 (3) The lien of the pledge is valid and binding against each party with a
10 claim against the authority in tort, contract, or otherwise, regardless of whether
11 the party has notice of the lien.

12 B. The trust agreement and any other agreement or lease creating a
13 pledge under this Section need not be filed or recorded, except in the records of
14 the authority.

15 §599.28. Trust funds

16 A. Proceeds from the sale of bonds and other revenues received under
17 this Part are trust funds to be held and applied solely as provided in this
18 Subtitle.

19 B.(1) Each officer, bank, or trust company that receives trust money
20 from the authority under this Part shall act as trustee of the money and shall
21 hold and apply the money for the purposes specified under this Part.

22 (2) The officer, bank, or trust company holding money is subject to:

23 (a) Any regulation adopted under this Subtitle.

24 (b) The resolution authorizing the issuance of bonds or the trust
25 agreement.

26 §599.29. Refunding bonds

27 A.(1) An authority may issue bonds to refund outstanding bonds of the
28 authority, including paying:

29 (a) Any redemption premium.

1 **(b) Interest accrued or to accrue to the date of redemption, purchase, or**
2 **maturity of the bonds.**

3 **(c) Any part of the cost of acquiring or improving property as part of a**
4 **project.**

5 **(2) Refunding bonds may be issued for any corporate purpose, including:**

6 **(a) Realizing savings in the effective costs of debt service, directly or**
7 **through a debt restructuring.**

8 **(b) Alleviating a potential or actual default.**

9 **B. Refunding bonds issued under this Section shall be issued in the same**
10 **manner and are subject to this Part to the same extent as any other bond.**

11 **C. An authority may issue refunding bonds in one or more series in an**
12 **amount greater than the amount of the bonds to be refunded.**

13 **§599.30. Bond anticipation notes**

14 **A. An authority may issue negotiable bond anticipation notes in**
15 **anticipation of the sale of bonds for any corporate purpose.**

16 **B. Bond anticipation notes issued under this Section shall be issued in the**
17 **same manner as bonds.**

18 **C. Bond anticipation notes issued under this Section and the resolution**
19 **authorizing them may contain any provision, condition, or limitation that may**
20 **be included in a trust agreement.**

21 **D. An authority may issue bond anticipation notes to pay any other**
22 **anticipation notes.**

23 **E. Bond anticipation notes shall be paid from:**

24 **(1) Money available and not otherwise pledged.**

25 **(2) Revenues of the authority.**

26 **(3) The proceeds of the sale of the bonds in anticipation of which the**
27 **notes were issued.**

28 **§599.31. Conveyance of title and release of collateral**

29 **A. An authority shall convey title to property relating to a project and**

1 release collateral in accordance with this Section when:

2 (1)(a) The principal of an interest on bonds issued to finance or refinance
3 the project, including any refunding bonds, have been fully paid and retired.

4 (b) Adequate provision has been made to fully pay and retire the bonds.

5 (2) All other conditions of trust agreement have been satisfied.

6 (3) The lien of the trust agreement has been released.

7 B. On satisfaction of the conditions under Subsections A of this Section,
8 an authority promptly shall execute any deed, conveyance, release, or document
9 and take any other action necessary to convey title to the property and release
10 collateral free of any lien or encumbrance created through the authority.

11 §599.32. Enforcement of rights and duties

12 A. A bondholder, a holder of any coupons attached to bonds, or a trustee
13 under a trust agreement securing the bonds may sue:

14 (1) To protect and enforce rights under state law or a trust agreement.

15 (2) To enforce and compel the performance of duties by an authority or
16 its officer, employee, or agent that this Subtitle or a trust agreement requires,
17 including imposing rates, rents, fees, and charges that the trust agreement
18 requires to be imposed.

19 B. The right under this Section are subject to any trust agreement.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

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

Proposed law provides for definitions, including "authority" to mean a quasi-public nonprofit entity created by one or more local governments in accordance with the State Land Banking Authority Act.

Proposed law provides that the governing body of a local government may establish a land bank authority in accordance with proposed 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.

Proposed law provides that an ordinance adopted pursuant to proposed law shall include certain information, including the name of the authority, the purpose of the authority, and the powers of the authority.

Proposed 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.

Proposed 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.

Proposed 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.

Proposed law requires an entity incorporated pursuant to proposed 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.

Proposed 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.

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

Proposed law provides that an authority may:

- (1) Adopt, amend, and repeal bylaws for the conduct of business of the authority.
- (2) Sue and be sued.
- (3) Maintain an office at a place the authority designates.
- (4) Borrow money.
- (5) Issue bonds and other obligations for any corporate purpose.
- (6) Invest money of the authority in instruments, obligations, securities, or property.
- (7) Enter into contracts and execute the instruments or agreements necessary or convenient to carry out this part or an ordinance adopted under proposed law.
- (8) Solicit and accept gifts, grants, loans, or other assistance in any form from any public or private source, subject to this subtitle or any ordinance adopted under proposed law.

- (9) Participate in a program of the federal government, the state, a political subdivision of the state, or an intergovernmental entity created under present law.
- (10) Contract for goods and services.
- (11) Study, develop, and prepare reports or plans to assist in the authority's exercise of powers and to monitor and evaluated the authority's progress.
- (12) Contract with public or private entities for services necessary to manage and operate the authority.
- (13) Provide acquisition, management, and sale services to a local government for property owned by the local government.
- (14) Create, own, control, or be a member of a corporation, limited liability company, partnership, or other person, whether operated for profit or not for profit, for the purposes of development property in order to maximize marketability.
- (15) Exercise a power usually possessed by a private corporation in performing similar functions, unless to do so would conflict with present law.
- (16) Insure against losses in connection with the real property, assets, or activity of the authority.
- (17) Design, develop, construct, demolish, rehabilitate, renovate, relocate, and otherwise improve real property or interest in real property.
- (18) Raise revenue by a legal means required to make the operations and activities of the authority self-sustaining.
- (19) Do all things necessary or convenient to carry out the powers expressly granted by this proposed law or by an ordinance adopted under this proposed law.

Proposed 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.

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

Proposed law provides that an authority may quiet title or foreclose on a property in which it holds an interest that simple 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.

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

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

Proposed 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.

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

Proposed 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 or 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.

Proposed 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.

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

Proposed law provides that after an unsuccessful attempt by the local government to collect an outstanding liens 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.

Proposed 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.

Proposed law provides that conveyance of property by deed instead of foreclosure or transfer of a lien or tax on property pursuant to proposed 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.

Proposed 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.

Proposed 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.

Proposed 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.

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

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

Proposed 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.

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

Proposed 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.

Proposed 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.

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

Proposed 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.

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

Proposed 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.

Proposed 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.

Proposed 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 proposed law.

Proposed law provides that the rates, rents, fees, and charges established by an authority under proposed 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 fo 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.

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

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

Proposed 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.

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

Proposed law provides that an authority shall convey title to property relating to a project and release collateral in accordance with proposed 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.
 - (a) All other conditions of trust agreement have been satisfied.
 - (b) The lien of the trust agreement has been released.

Proposed law provides that on satisfaction of the conditions under proposed 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.

Proposed 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.

Proposed law provides that the rights under proposed law are subject to any trust agreement.

Effective August 1, 2025.

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Renames the Louisiana Land Bank Authority Act to the State Land Banking Authority Act.
2. Provide that the establishment of a land bank authority, the articles of incorporation, and the articles of amendment are subject to the Nonprofit Corporation Law.
3. Provide for amendments to the articles of incorporation, including the adoption of an ordinance to amend articles and the effectiveness of articles of amendments.
4. Make technical changes.