
DIGEST

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HB 96 Original

2024 Regular Session

Geymann

Abstract: Authorizes a parish to create a program whereby loans are made for improvements to property and the loans are repaid through an assessment imposed by the parish against the property.

Proposed law authorizes a parish to establish a property assessed clean energy and resilience loan program, hereafter in this digest, the "program", to encourage, accommodate, and enable financing of eligible improvements to property. Provides that an eligible improvement is one that:

- (1) Increases the capacity of a structure to withstand natural or manmade disasters or severe weather.
- (2) Promotes indoor air and water quality.
- (3) Decreases water consumption or demand.
- (4) Decreases energy consumption or demand.

Proposed law provides that loans for such improvements are repaid through an assessment imposed by the parish on the improved property. Provides that a parish may enforce such an assessment in the same manner as other parish liens.

Proposed law authorizes a parish to contract with a third-party program administrator.

Program specifications include the following:

- (1) The term for repayment of a loan shall not exceed the weighted average usefulness of eligible improvements or 30 years, whichever is less.
- (2) The total loan-to-value ratio for all loans secured by the qualified property shall not exceed 100%.
- (3) If there is a nonpayment or default, prohibits acceleration of the loan and provides that a loan delinquency shall exist only for liens not paid when due.
- (4) Requires that the property owner be current on all outstanding mortgage loans encumbering the property.

- (5) Requires written consent from any holder of a lien, mortgage, or security interest in the property authorizing participation in the program and that the program lien shall take priority over all other liens except for ad valorem tax liens.
- (6) Authorizes a lessee to finance improvements if specified conditions are met.

Proposed law provides as follows regarding repayment of the loan:

- (1) The parish governing authority shall assess the loan amount, including capitalized interest and administrative fees, against the property.
- (2) Requires the program administrator or capital provider to file a statement of program lien with the parish recorder of mortgages.
- (3) Authorizes the parish to enforce the program lien. Provides that the program lien is not extinguished by the enforcement or foreclosure of the property.
- (4) Requires a seller of property with a program lien and an unpaid balance due to disclose the lien to the purchaser.

(Adds R.S. 33:4550.1-4550.4)