

2025 Regular Session

HOUSE BILL NO. 62

BY REPRESENTATIVE TARVER

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

LOCAL GOVERNMENT: Authorizes parish governing authorities to create commercial property assessed capital expenditure and resilience programs

1 AN ACT

2 To enact Chapter 10-E of Title 33 of the Louisiana Revised Statutes of 1950, to be  
3 comprised of R.S. 33:4550.1 through 4550.4, relative to powers of parish governing  
4 authorities; to authorize parish governing authorities to create commercial property  
5 assessed capital expenditure and resilience financing programs; to provide for  
6 assessments against improved property; to provide relative to the requirements of  
7 any such program; to provide definitions; to provide limitations; and to provide for  
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Chapter 10-E of Title 33 of the Louisiana Revised Statutes of 1950,  
11 comprised of R.S. 33:4550.1 through 4550.4, is hereby enacted to read as follows:

12 CHAPTER 10-E. COMMERCIAL PROPERTY ASSESSED CAPITAL

13 EXPENDITURE AND RESILIENCE PROGRAM

14 §4550.1. Definitions

15 As used in this Chapter, the following terms have the meanings ascribed to  
16 them unless the context clearly indicates otherwise:

17 (1) "Capital provider" means any private entity or entities, including its  
18 designee, successor, beneficiary, or assignee, that makes or funds commercial  
19 property assessed capital expenditure and resilience financing and refinancing  
20 pursuant to this Chapter.

1           (2) "Commercial property" means privately owned commercial, industrial,  
2           agricultural immovable property, or privately owned residential immovable property  
3           consisting of five or more dwelling units.

4           (3) "C-PACE program" or "program" means a commercial property assessed  
5           capital expenditure and resilience program established pursuant to this Chapter.

6           (4) "Eligible improvements" means improvements permanently affixed to  
7           a structure and intended to accomplish any of the following:

8           (a) Increasing resilience by increasing the capacity of a structure or  
9           infrastructure to withstand natural or manmade disasters or severe weather impacts,  
10           including but not limited to flood mitigation or the mitigation of the impacts of  
11           flooding, natural or nature-based features, storm water management, fire and wind  
12           resistance, energy storage, and micro grids.

13           (b) Providing for environmental remediation by improving indoor air and  
14           water quality.

15           (c) Decreasing water consumption or demand by promoting efficient use of  
16           water, addressing safe drinking water, or improving wastewater quality through the  
17           use of efficiency technologies, products, or activities.

18           (d) Decreasing energy consumption or demand through the use of efficiency  
19           technologies, products, or activities that reduce or support the reduction of energy  
20           consumption, or the production of alternative energy, including but not limited to a  
21           product, device, or interacting group of products or devices that generate electricity,  
22           provide thermal energy, or regulate temperature.

23           (5) "Eligible property" means privately owned commercial property,  
24           including property owned by an entity formally recognized as tax exempt pursuant  
25           to the Internal Revenue Code of 1986, as amended. Eligible property includes  
26           ground leases on such commercial property.

27           (6) "Financing agreement" means the contract between a property owner and  
28           a capital provider under which a property owner agrees to repay a capital provider  
29           for the financing of eligible improvements, including but not limited to details of

1 finance charges, fees, debt servicing, accrual of interest and penalties, and terms  
2 relating to the treatment of prepayment and partial payment, billing, collection, and  
3 enforcement of the repayment of the financing.

4 (7) "Program administrator" means the department or individual within  
5 parish government designated to administer the program, or the private, independent  
6 third party designated by the governing authority of the parish to administer the  
7 program.

8 (8) "Program guide" means a comprehensive document that establishes  
9 appropriate guidelines, specifications, underwriting and approval criteria, and  
10 standard application forms consistent with the administration of a program and not  
11 detailed in this Chapter.

12 (9) "Property owner" means the property title owner or a tenant under a long  
13 term written lease agreement with the title owner.

14 §4550.2. Establishment of program

15 A. The governing authority of a parish may establish, by ordinance, a  
16 commercial property assessed capital expenditure and resilience financing program.  
17 The program shall be created for the purpose of encouraging, accommodating, and  
18 enabling financing of eligible improvements. A parish may administer the program  
19 or contract with a third-party to administer the program. If the parish contracts with  
20 a third party to administer the program the administration procedures shall conform  
21 to the provisions of this Chapter.

22 B. The ordinance shall authorize the parish to enforce program liens in the  
23 same manner as other parish-enforced liens.

24 C. The ordinance shall include all of the following:

25 (1) A finding that financing qualifying improvement projects through  
26 assessments is a valid public purpose.

27 (2) A statement that the parish intends to make assessments to repay  
28 financing for qualifying improvement projects available to voluntary and willing  
29 property owners.

1                   (3) A description of the types of qualifying projects eligible for the program.

2                   D. A parish or third party program administrator may impose fees to offset  
3                   the actual and reasonable costs of administering a program; however, such fees are  
4                   limited to the lesser of 1% of the principal amount financed or \$50,000.

5                   §4550.3. Financing for eligible improvements

6                   A. A property owner may request C-PACE program financing from a capital  
7                   provider to cover all direct and indirect costs related to the installation, modification,  
8                   construction or refinancing of eligible improvements affixed to the eligible property.  
9                   The program administrator shall accept or reject a C-PACE program project  
10                  application according to criteria that it establishes and publishes in the program  
11                  guide.

12                  B. The term for repayment of the C-PACE program financing shall not  
13                  exceed the useful life of the longest-lived eligible improvement or thirty years,  
14                  whichever is less.

15                  C. The total loan-to-value ratio for all debts secured by the property shall not  
16                  exceed one hundred percent. The calculation of equivalent value used to determine  
17                  the maximum amount of financing available for a particular property shall take into  
18                  account the reasonable expected stabilized value of the property with the proposed  
19                  eligible improvements installed.

20                  D. If there is a nonpayment or default, there shall be no acceleration of the  
21                  financing, and a delinquency shall exist only for the portion of the financing not paid  
22                  when due.

23                  E. In order to qualify for financing, the property owner shall be current on  
24                  all outstanding mortgage loans encumbering the property upon which the eligible  
25                  improvements are proposed to be installed or constructed.

26                  F. An appropriate evaluation, such as energy analysis or renewable energy  
27                  system feasibility study, shall be conducted on the property by a qualified  
28                  professional to confirm that the improvements meet program requirements and shall

1 be reviewed by the program administrator prior to approval of the project  
2 application.

3 G. Before approving any C-PACE program project application, the program  
4 administrator shall ascertain that the property owner is not delinquent on property  
5 tax payments, the property owner is not insolvent or in bankruptcy proceedings, and  
6 the title of the benefitted property is not in dispute.

7 H. All eligible improvements financed through the program shall be  
8 performed by qualified contractors, subcontractors, or tradesmen pursuant to  
9 program rules that are developed by the program administrator and published in the  
10 program guide.

11 I.(1) Before a capital provider may enter into a financing agreement to  
12 provide financing for eligible improvements, the capital provider shall receive  
13 written consent from any holder of a mortgage lien secured by the property that the  
14 property may participate in the program and that the program lien shall take priority  
15 over all other liens, except for ad valorem tax liens. This consent shall take the form  
16 and substance of a written mortgage lienholder consent that is acceptable to each  
17 prior lienholder in its sole discretion. The consent shall be executed by the holder  
18 of each mortgage lien secured by property and shall be recorded with the recorder  
19 of mortgages for the parish in which the qualified property is located.

20 (2) The written mortgage lienholder consent shall evidence that:

21 (a) The lienholder acknowledges and consents to the C-PACE program  
22 financing being levied on the property, to the recordation of the program lien with  
23 the recorder of mortgages against the qualified property, and to the recordation of  
24 this consent with the recorder of mortgages against the property.

25 (b) The property owner is current on payments secured by the mortgage lien  
26 on the qualified property.

27 (c) The C-PACE program financing does not constitute a default or an event  
28 of default under the existing mortgage financing documents.

1           (d) The consent by the mortgage lienholder does not prohibit the mortgage  
2           lienholder from pursuing any and all rights and remedies available by law or in  
3           equity to collect from the property owner securing the C-PACE program financing  
4           all amounts due to it under mortgage lien documents; however, such enforcement  
5           shall be subject to the payment of the due and unpaid C-PACE program financing  
6           installments as set forth in the amortization schedule of the recorded program lien  
7           documentation together with real property taxes due in connection with the  
8           ownership of the property. In addition, the mortgage lienholder shall have the right  
9           to cure any nonpayment of the C-PACE program financing by the property owner  
10           to the same extent as the mortgage lienholder has a right to cure nonpayment of real  
11           property taxes before any lien is foreclosed by the parish.

12           J. An eligible improvement may be secured against the leasehold estate and  
13           financed by a lessee under a lease only if:

14           (1) The remaining lease term equals or exceeds the term of the C-PACE  
15           program financing.

16           (2) The lessee is treated as the owner of the eligible improvements for the  
17           term of the lease.

18           (3) The lessee is legally and primarily responsible for the repayment of the  
19           C-PACE program financing.

20           K. The program administrator may approve a C-PACE program project  
21           application for financing or refinancing the total costs of eligible improvements filed  
22           within thirty-six months from the issuance of a certificate of occupancy or equivalent  
23           compliance document.

24           §4550.4. Repayment of C-PACE program financing

25           A. The parish governing authority shall do one of the following:

26           (1) Bill, collect and remit to the capital provider the C-PACE program  
27           assessment amount at the same time and in the same manner as a property tax.

28           (2) Assign to the capital provider the sole responsibility for billing and  
29           collection of the C-PACE program assessment lien. The assignment by the local

1 government to the capital provider must be made no later than the execution of the  
2 written financing agreement.

3 (3) Contract with another local government entity, including but not limited  
4 to the sheriff, to perform the duties of the local government relating to billing,  
5 collection, and remittance of C-PACE program assessments imposed pursuant to this  
6 Chapter.

7 B. C-PACE program financing shall be repaid by the property owner through  
8 such assessments in the amounts and at such times as set forth in the financing  
9 agreement and the program guide.

10 C. In order to secure repayment of the C-PACE program financing, upon a  
11 capital provider entering into an assessment agreement with a property owner, the  
12 program administrator shall file a statement of program lien with the recorder of  
13 mortgages for the parish in which the property is located. The program lien shall be  
14 for the full amount of the financing and shall take effect against third persons upon  
15 filing. The statement of the voluntary program lien shall contain the following:

16 (1) Identity of the lienholder, including a contact name, address, and phone  
17 number.

18 (2) Identity of the property owner, including the property owner's full name,  
19 domicile, and permanent mailing address and the last four digits of the property  
20 owner's social security number or tax-payer identification number, whichever is  
21 applicable.

22 (3) Legal description of the property encumbered by the lien.

23 (4) Date that the lien is created, which means the date that the financing  
24 agreement is signed.

25 (5) Dollar amount of the C-PACE program financing for which the lien is  
26 created.

27 D. Upon failure of the property owner to pay the current year's payment, the  
28 parish or other local government entity described in R.S. 33:4550.4(A)(3) shall  
29 enforce the lien to recover and collect the current year's payment along with

1 payments remaining delinquent from previous years. The program lien shall have  
2 the same ranking as ad valorem tax liens as provided in R.S. 9:4821(A)(1), and shall  
3 be enforced and collected by ordinary civil proceeding in accordance with Code of  
4 Civil Procedure Article 851 et seq. or by executory process if the financing  
5 agreement contains a confession of judgment, or by any other state law applicable  
6 to enforcing and collecting the amount due as a property tax lien, subject to the same  
7 civil penalties for delinquencies, including accrued interest, together with attorneys'  
8 fees and costs incurred in notification to the property owner and the enforcement and  
9 collection of the amounts owed. The program lien shall not be extinguished by the  
10 enforcement or foreclosure of the property.

11 E. At or before the time a purchaser executes a contract for the sale and  
12 purchase of any property for which an assessment has been levied pursuant to this  
13 Chapter and there is an unpaid balance due, the seller shall give the prospective  
14 purchaser a written disclosure statement in the following form, which shall be set  
15 forth in the contract or in a separate writing: "QUALIFYING IMPROVEMENTS  
16 FOR CAPITAL EXPENDITURES AND RESILIENCY . The property being  
17 purchased is located within the jurisdiction of a parish government that has placed  
18 an assessment on the property pursuant to R.S. 33:4450.1 et seq. The assessment is  
19 for a qualifying improvement to the property and is not based on the value of  
20 property. You are encouraged to contact the parish assessor's office to learn more  
21 about this and other assessments that may be provided by law. " Failure to comply  
22 with this Subsection will not impact the validity of the program lien on the property.

23 F. When the C-PACE program financing is repaid in full, the program  
24 administrator shall provide written evidence of cancellation and release of the  
25 program lien and shall file it with the recorder of mortgages for the parish where the  
26 property is located.

27 G. Prepayment of the remaining balance of the C-PACE program financing  
28 may only be remitted in accordance with the financing agreement.



## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 62 Original

2025 Regular Session

Tarver

**Abstract:** Authorizes a parish to create a program whereby financing is made for improvements to commercial property and the financing is repaid through an assessment imposed by the parish against the property.

Proposed law authorizes a parish governing authority to establish a commercial property assessed capital expenditure and resilience financing program (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 financing 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 the financing shall not exceed the useful life of the longest lived eligible improvement or 30 years, whichever is less.
- (2) The total loan-to-value ratio for all liens secured by the qualified property shall not exceed 100%.
- (3) If there is a nonpayment or default, prohibits acceleration of the financing and provides that a delinquency shall exist only for the portion of the financing 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 mortgage on 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 financing:

- (1) The parish governing authority shall assess the financing amount, including accrued interest, together with attorney fees and other administrative costs, against the property.

- (2) Requires the program administrator 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 provide a written disclosure of the lien to the purchaser.

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