
DIGEST

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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)