

First Extraordinary Session, 2005

HOUSE BILL NO. 75

BY REPRESENTATIVE JEFFERSON

BANKS/BANKING: Authorizes banks to make investmests to promote public welfare in low-income communities affected by Hurricanes Katrina and Rita

1 AN ACT

2 To enact R.S. 6:242(A)(18), relative to banking powers; to provide for investments to
3 promote public welfare in low-income communities affected by Hurricanes Katrina
4 and Rita; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:242(A)(18) is hereby enacted to read as follows:

7 §242. Banking powers

8 A. In addition to the general corporate powers conferred in R.S. 6:241 and
9 the powers conferred by other provisions of the laws of this state, a state bank shall
10 have the following banking powers and those incidental to the exercise of these
11 powers:

12 * * *

13 (18) In furtherance of the Louisiana Community Development Financial
14 Institutions Act and in low-income communities affected by Hurricanes Katrina and
15 Rita, to make investments in Louisiana Community Development Financial
16 Institutions to promote the public welfare such as developing housing, fostering
17 economic growth and revitalization, and creating small businesses, including
18 minority-owned businesses, provided that such investments do not expose a bank to
19 unlimited liability and that a bank's aggregate investments made under this Paragraph
20 shall not exceed the maximum amount allowed by federal law for investments in
21 Community Development Financial Institutions.

22 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Jefferson

HB No. 75

Abstract: Authorizes banks to make investments, in accordance with the Louisiana Community Development Financial Institutions Act, to promote public welfare in low-income communities affected by Hurricanes Katrina and Rita.

Proposed law provides for banks to make investments in Louisiana Community Development Financial Institutions to promote public welfare in low-income communities affected by Hurricanes Katrina and Rita.

Proposed law provides that such investments cannot expose a bank to unlimited liability and cannot exceed the maximum amount allowed by federal law for investments in Community Development Financial Institutions.

(Adds R.S. 6:242(A)(18))

Summary of Amendments Adopted by House

House Floor Amendments to the engrossed bill.

1. Clarifies that investments shall only be in Louisiana Community Development Financial Institutions.
2. Changes maximum investment from 10% of bank's capital to maximum amount allowed by federal law.