

2019 Regular Session

SENATE BILL NO. 49

BY SENATOR FANNIN

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

TRUSTS. Provides relative to activities of out-of-state trust companies. (gov sig)

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AN ACT

To amend and reenact R.S. 6:626(A) and R.S. 9:1783(A), relative to trusts; to provide relative to Louisiana and out-of-state trust companies; to provide relative to offices and activities that may be conducted; to provide relative to entities qualifying as trustees; to provide certain terms and conditions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 6:626(A) is hereby amended and reenacted to read as follows:

§626. Out-of-state trust companies

~~A. An out-of-state trust company may act as a fiduciary in this state or engage in a trust business at an office in this state only to the extent that the state by which it is chartered allows a Louisiana institution to perform such trust activities therein. An out-of-state trust company may establish a representative trust office in Louisiana at which the out-of-state trust company may perform trust-related business, except that the company may not enter into any trust agreements pursuant to the laws of this state.~~

**A.(1) An out-of-state trust company may act as a fiduciary from a trust office only if both of the following conditions are met:**

1                   **(a) The out-of-state trust company maintains a trust office in the state of**  
2                   **Louisiana.**

3                   **(b) In the state where the out-of-state trust company has its principal**  
4                   **location, similar institutions chartered under Louisiana law may establish**  
5                   **offices and engage in substantially similar activities authorized under this**  
6                   **Chapter.**

7                   **(2) Subject to the requirements of Paragraph (A)(1) of this Section, an**  
8                   **out-of-state trust company that maintains one or more trust offices in the state**  
9                   **may at each office conduct any activity authorized to be conducted by a**  
10                  **Louisiana trust company under this Chapter.**

11                  **(3) An out-of-state trust company may establish a trust representative**  
12                  **office in Louisiana at which the out-of-state trust company may perform trust-**  
13                  **related business, except that the company may not enter into any trust**  
14                  **agreements pursuant to the laws of this state.**

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16                  Section 2. R.S. 9:1783(A) is hereby amended and reenacted to read as follows:

17                  §1783. Who may be trustee

18                         A. Only the following persons or entities may serve as a trustee of a trust  
19                         established pursuant to this Code:

20                                 (1) A natural person enjoying full capacity to contract who is a citizen or  
21                                 resident alien of the United States, who may be the settlor, the beneficiary, or both.

22                                 (2) A federally insured depository institution organized under the laws of  
23                                 Louisiana, another state, or of the United States, ~~or a financial institution or trust~~  
24                                 ~~company authorized to exercise trust or fiduciary powers under the laws of Louisiana~~  
25                                 ~~or of the United States.~~

26                                 **(3) A financial institution or trust company organized under the laws of**  
27                                 **Louisiana or the United States, authorized to exercise trust or fiduciary powers**  
28                                 **under the laws of Louisiana or of the United States, or trust company organized**  
29                                 **under the laws of another state and operating in Louisiana pursuant to R.S.**

1 **6:626.**

2 \* \* \*

3 Section 3. This Act shall become effective upon signature by the governor or, if not  
4 signed by the governor, upon expiration of the time for bills to become law without signature  
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
7 effective on the day following such approval.

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The original instrument was prepared by Xavier Alexander. The following digest, which does not constitute a part of the legislative instrument, was prepared by Nancy Vicknair.

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	DIGEST	
SB 49 Reengrossed	2019 Regular Session	Fannin

Present law, relative to trusts, provides for the creation and establishment of out-of-state trust companies and their activities.

Proposed law provides that an out-of-state trust company may act as a fiduciary from a trust office only if both of the following conditions are met:

- (1) It maintains a trust office or branch in the state.
- (2) The state where the out-of-state trust company has its principal location allows a Louisiana institution to perform substantially similar business activities.

Proposed law provides that an out-of-state trust company may at each office engage in the same activities as a Louisiana trust company.

Proposed law provides that an out-of-state trust company may establish a trust representative office in this state. Further provides that the company may not enter into any trust agreements.

Effective upon signature or lapse of time for gubernatorial action.

(Amends R.S. 6:626(A) and R.S. 9:1783(A))

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Judiciary A to the engrossed bill

1. Makes technical changes.
2. Removes proposed language that a trust company chartered in another state, operating in the state, can serve as a trustee of a trust.

##### Senate Floor Amendments to engrossed bill

1. Makes legislative bureau technical changes.