

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 537** HLS 23RS 881

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.: **REVISED**

Date: May 31, 2023	8:34 AM	Author: HODGES
Dept./Agy.: Attorney General		Analyst: Daniel Druilhet
Subject: Prohibition Against Foreign Adversary - Immovable Property		

CONTRACTS

RE1 GF EX See Note

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Provides for a prohibition against foreign adversary purchasing, leasing, or acquiring land

Proposed law creates a law prohibiting the acquisition of immovable property by a foreign adversary (FA) or a person connected with a foreign adversary (PCFA), which prohibits any FA or any PCFA from purchasing, leasing, or acquiring (PLA) immovable property in Louisiana; creates provisions on rescission of contracts related to PLA immovable property by a FA; creates a liability provision for transactions between FA and parties who engage in transactions for PLA immovable property with FA; allows the Attorney General (AG) to bring an action for injunctive relief on behalf of the state against a FA to enjoin a property transfer; provides consideration for jurisdiction for an action brought by the AG and recovery for reasonable attorney's fees and court costs; permits the AG to open investigations upon securing evidence of attempts by a FA to enter into contracts for PLA immovable property; provides procedural rules for the AG related to recordation in the public records of a notice of pendency of action (NOPOA) and cancellation of a NOPOA and provides that the AG may petition the court for an order requiring the judicial sale (JS) of property under a NOPOA against a foreign adversary and that the proceeds of the JS be deposited in the registry of the court; provides that any proceeds remaining after satisfying all mortgages, liens, privileges, encumbrances, and other costs of the JS be considered a civil asset forfeiture and paid to the AG to fund VFW services.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will not result in any anticipated direct material effect on governmental expenditures to the extent that the Attorney General (AG) chooses not to pursue claims for injunctive relief, open investigations, order judicial sales, or engage in civil asset forfeiture of property which involves transactions for purchasing, acquiring, or leasing immovable property by foreign adversaries or persons connected with foreign adversaries.

To the extent that the AG chooses to pursue claims for injunctive relief, open investigations, order judicial sales, or engage in civil asset forfeiture of property which involves transactions for purchasing, acquiring, or leasing immovable property by foreign adversaries or persons connected with foreign adversaries under proposed law, the LFO presumes that the AG will be required to secure additional personnel to address increased workload, if it cannot absorb the workload using existing resources.

REVENUE EXPLANATION

Proposed law will not result in any anticipated direct material effect on governmental revenues to local courts in which proceedings related to the judicial sale of property (which involves transactions for purchasing, acquiring, or leasing immovable property by foreign adversaries or persons connected with foreign adversaries) are held, to the extent that the AG chooses not to pursue judicial sales and that remaining proceeds of those sales are not deposited in the registry of the court in which those actions are pursued. Proposed law will also not result in any anticipated direct material effect on SGR to the AG to the extent that the AG does not recover reasonable attorneys fees or court costs associated with pursuing injunctive relief or ordering judicial sales of property which involves transactions for purchasing, acquiring, or leasing immovable property by foreign adversaries or persons connected with foreign adversaries.

To the extent that the AG chooses to pursue injunctive relief or seek orders of judicial sales of property which involves transactions for purchasing, acquiring, or leasing immovable property by foreign adversaries or persons connected with foreign adversaries, proposed law will likely result in an increase in SGR to the AG and an increase in local revenue to courts in which proceedings ordering judicial sales of property (which involves transactions for purchasing, acquiring, or leasing immovable property by foreign adversaries or persons connected with foreign adversaries) are held.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
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Interim Deputy Fiscal Officer