

2025 Regular Session

HOUSE BILL NO. 470

BY REPRESENTATIVE MCFARLAND

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

FINANCIAL INSTITUTIONS: Provides relative to revenue-based financing transactions

1 AN ACT

2 To enact R.S. 9:3137.10, relative to revenue-based financing transactions; to provide for
3 definitions; to provide for amounts charged in a revenue-based financing transaction;
4 and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 9:3137.10 is hereby enacted to read as follows:

7 §3137.10. Revenue-based financing transaction

8 A.(1) For the purposes of this Chapter, "revenue-based financing
9 transaction" means an agreement under which a person engaged in a commercial
10 enterprise sells or agrees to forward a percentage of sales, revenue, or income, and
11 the person's payment obligation increases and decreases according to the volume of
12 sales made or revenue or income received.

13 (2) For the purposes of this Chapter, a "revenue-based financing transaction"
14 is not a transaction for the use, forbearance, or detention of money.

15 B. Amounts charged in a revenue-based financing transaction, whether in the
16 nature of a fee, discount, or otherwise, are not interest, and no disclosure of any
17 interest rate, factor rate, or annual percentage rate shall be required.

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 470 Engrossed

2025 Regular Session

McFarland

Abstract: Provides relative to revenue-based financing transactions.

Proposed law defines revenue-based financing transaction.

Proposed law provides that amounts charged in a revenue-based financing transaction, whether in the nature of a fee, discount, or otherwise, are not interest, and no disclosure of any interest rate, factor rate, or annual percentage rate shall be required.

(Adds R.S. 9:3137.10)