

RÉSUMÉ DIGEST

ACT 643 (HB 766)

2016 Regular Session

Broadwater

Prior law authorized the governing authority of a parish or municipality to create a special district known as a sustainable energy financing district. Relative to financing for projects, authorized the local governmental subdivision to incur debt in order to provide to the district sufficient funds to make the loans provided for in prior law and authorized owners of property in the district to request loans from the district to cover the costs of energy-related improvements to their property.

Prior law provided that if the property for which an energy improvement loan was sought was encumbered by a mortgage, then the total amount loaned for such property could not exceed 10% of the reasonable expected fair market value of the property.

Prior law provided that loans from the district for a particular property could not exceed the equity value in the property. Prohibited the total loan to value ratio for all loans secured by the immovable property from exceeding 100%. Provided that the calculation of equity value used to determine the maximum amount of financing available for a particular property could take into account the reasonable expected value of the property with the proposed energy improvements installed.

Prior law required the property owner to be current on all outstanding mortgage loans encumbering the property and further required the owner to demonstrate an ability to repay the loan as specified in the program rules. Prior law required that an appropriate evaluation be conducted on the qualifying property and reviewed by the district prior to approval of the financing.

Prior law required the district to make written verification that the improvements were installed on residential property and all work was completed satisfactorily before program loan funds were disbursed. Authorized disbursement of funds based on multiple stages of completion.

Prior law required that all energy improvements financed by the program be performed by duly qualified contractors, subcontractors, or tradesmen pursuant to program rules.

Prior law required that prior written notice be given to the mortgagee, its successors or assigns, or mortgage servicer of a commercial property for which an energy improvement loan was proposed in the amount of \$100,000 or more. Required the mortgagee, its successors or assigns, or mortgage servicer to approve or deny the proposed program loan within 30 days of receipt of notice. Provided further with respect to notice requirements.

Prior law required that the amount of the loan be assessed against the property and collected in the same manner as ad valorem taxes. Authorized the district to enter into agreements with the property tax collector for assessing and collecting the assessment.

Prior law required the local governmental subdivision, in order to secure repayment of loans, to file a statement of lien with the recorder of mortgages for the parish in which the property was located. Authorized the local governmental subdivision and district, upon failure of the property owner to pay the current year's assessment when due, to enforce the lien and privilege. Provided that the lien and privilege had the same ranking as an ad valorem tax lien and could be enforced and collected by ordinary civil proceeding, executory process, or by any other applicable state law to enforce and collect the amount due as a property tax lien.

New law repeals prior law.

Effective August 1, 2016.

(Repeals R.S. 33:130.811-814)