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DIGEST

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SB 450 Engrossed

2020 Regular Session

Carter

Present law relative to seizure of property provides general exemptions from seizure under any writ, mandate, or process for specified income or property by a debtor.

Proposed law (R.S. 13:3881(A)(10)) retains present law and adds any consumer stimulus payments directly received by the debtor pursuant to federal law enacted to provide for COVID-19 relief, except for seizure of spousal or child support payments.

Proposed law provides that the exemption shall not mean payments of unemployment compensation.

Proposed law (R.S. 20:34) states that it is the public policy of the state that all payments, grants, or loans made by the United States, any state, or any federal or state agency as a result of a national or statewide extraordinary emergency event shall be used by the payee, grantee, or borrower for the purposes intended by the governmental authority which pays, grants, or lends the funds.

Proposed law provides that an "extraordinary emergency event" includes but is not limited to, any of the following:

- (1) An act of war or terrorism.
- (2) A riot or insurrection against the lawful governing authority.
- (3) A declared natural disaster or state of emergency.
- (4) A pandemic or other declared public health emergency.

Proposed law provides that any government payments, grants, or loans received as a result of an extraordinary emergency event by any natural or juridical person who is a citizen of the United States and domiciled in this state:

- (1) Are exempt from seizure, sale, attachment, or restraint under any writ, mandate, or process whatsoever, except for the payment of alimony and child support as may be otherwise allowed by law.
- (2) May not be assigned as security or otherwise for the payment of any debt existing prior to the extraordinary emergency event for which the payment was made.

Proposed law provides that after receipt by the person, all grant payments or proceeds shall continue to be exempt from seizure and shall retain their exempt status, and shall not be liable to attachment, garnishment, or other process, or to be levied, seized, taken, appropriated, or applied by any legal or equitable process or operation of law to pay any debt of the payee, grantee, or borrower. In order for the exemption from seizure to apply, proposed law requires that the funds or loan proceeds remain clearly traceable and identifiable as grant payments or loan proceeds and requires that they are held separately in an escrow account expressly identified as an account opened under proposed law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 13:3881(A)(10) and R.S. 20:34)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Judiciary A to the original bill

1. Provides that seizures for spousal and child support are allowed.
2. Provides that proposed law shall not mean payments of unemployment compensation.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the engrossed bill:

1. Clarify language regarding the seizure of child and spousal support payments.
2. Add provisions relative to payments, grants, and loans made by the United States, any state, or any federal or state agency resulting from the occurrence of an extraordinary emergency event.