

RÉSUMÉ DIGEST

ACT 44 (SB 450)

2020 Regular Session

Carter

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

New law retains prior 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 spousal or child support.

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

New law defines an "extraordinary emergency event" as a presidentially or gubernatorially declared natural disaster, state of emergency, or public health emergency affecting Louisiana.

New law provides for the following as to any governmental 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) Any payments, grants, or loans received are exempt from seizure, sale, attachment, or restraint under any writ, mandate, or order, except for the payment of alimony and child support as may be otherwise allowed by law and except to the extent of the balance due on debt secured by a security interest granted in such governmental grants, payments, or loans that the person granted after the extraordinary emergency event.
- (2) Payments received prior to the extraordinary emergency event may not be assigned by the person designating the payments, grants, or loans as security for the payment of any debt existing prior to the extraordinary emergency event for which the governmental payment, grant, or loan was made.

New law provides that after receipt by the person, all governmental grant funds, payments, or loan proceeds shall continue to be exempt from seizure and shall retain their exempt status as provided in new law provided that the grant funds, payments, or loan proceeds are held separately in an account used exclusively for this purpose and expressly identified as an account opened as provided for by new law.

Provides that the person asserting the exemption under new law bears the burden of preventing or limiting a financial institution's compliance with or response to a seizure, sale, attachment, garnishment, or restraint subject to new law by seeking an appropriate remedy, including a restraining order, injunction, protective order, or other remedy, to prevent or suspend the financial institution's response to a claim against the person.

New law does not supercede laws, regulations, rules, government-issued guidance, or interpretations, or other specific provisions, governing a particular payment, grant, or loan program and pursuant to which the natural or juridical person received funds.

Effective upon signature of the governor (June 4, 2020).

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