

## RÉSUMÉ DIGEST

**SB 35**

**2024 Regular Session**

**Morris**

Present law provides that when a litigious right is assigned, the debtor may extinguish his obligation by paying to the assignee the price the assignee paid for the assignment, with interest from the time of the assignment.

Present law provides that a right is litigious, for that purpose, when it is contested in a suit already filed.

Present law provides that the debtor may not thus extinguish his obligation when the assignment has been made to a co-owner of the assigned right, or to a possessor of the thing subject to the litigious right.

Proposed law would have retained present law but would have included extinguishing an obligation when the assignment is of a promissory note.

Would have become effective on August 1, 2024.

(Proposed to amend C.C. Art. 2652)

### **VETO MESSAGE:**

"Please be advised that I have vetoed Senate Bill 35 of the 2024 Regular Session. Senate Bill 35 should be called the "Debt Collectors Employment Protection Act" as it is solely aimed at protecting and enriching predatory debt collection practices in this state. Indeed, rather than allowing a debtor to negotiate an equitable settlement on debts owed, this bill allows the debtor and their debt to be continuously bought and sold down a never-ending river of indebtedness. In addition, SB 35 would needlessly extend and continue ongoing litigation (thereby further enriching the trial lawyers and plaintiffs' bar) by incentivizing ever-more predatory debt scavengers, to continue to try to vulture every last morsel of meat off the debtor's bones. While many of our citizens are already pinching pennies to make ends meet, we should not be forcing them to choose between food and fuel or debilitating debt.

The Legislature and LABI agreed with this position in 2016 when the Louisiana House of Representatives resoundingly rejected this legislation by a vote of 23-65, with at least 25 current legislators amongst those "no" votes.

We think the 2016 Legislature got it right when it rejected this legislation as imprudent, unnecessary, and counter-productive to efforts towards meaningful tort reform and consumer protection. For these reasons, I have vetoed SB 35 and return it to the Legislature."