

RÉSUMÉ DIGEST

ACT 607 (SB 537)

2018 Regular Session

Luneau

Prior law (C.C.P. Arts. 4272(A) and 4521(A)(1)) authorized the court to order that money being paid to a minor as the result of a judgment or settlement be paid directly into the registry of the court for the minor's account, and that such money be withdrawn only upon approval of the court.

New law deletes the duplicate provision from C.C.P. Art. 4272(A) and also adds to C.C.P. Art. 4521(A)(1) the requirement that withdrawn funds be invested in an interest-bearing investment approved by the court, unless the court for good cause approves another disposition.

Prior law (C.C.P. Arts. 4272(B)) provided that in approving any proposal by which money will be paid to an unemancipated minor who is in the legal custody of the Dept. of Children and Family Services, the court shall order that the money be placed in trust.

New law moves prior law to new law C.C.P. Art. 4521(B).

Prior law (C.C.P. Arts. 4272(C)(1) and 4521(A)(4)) provided that in approving any proposal by which money will be paid to the minor as the result of a judgment or settlement, the court may order that the money be paid under a structured settlement agreement which provides for periodic payments and is underwritten by a financially responsible entity that assumes responsibility for future payments.

New law deletes the duplicate provision from C.C.P. Art. 4272(C)(1) and adds the requirement of court approval to C.C.P. Art. 4521(A)(4).

Prior law (C.C.P. Arts. 4272(C)(2) and 4521(B)) provided the following factors for the court's consideration when determining investments and disbursements of the minor's funds:

- (1) Age and life expectancy of the minor.
- (2) Current and anticipated financial needs of the minor.
- (3) Income and estate tax implications.
- (4) Impact on eligibility for government benefits.
- (5) Present value of proposed payment arrangement and the method by which the value is calculated.

New law deletes the duplicate provision from C.C.P. Art. 4272(C)(2).

New law (C.C.P. Arts. 4272) further provides that court approval of payments to a minor shall be governed by the provisions of prior law C.C.P. Art. 4521.

Prior law (C.C.P. Art. 4521(A)(2)) authorized the funds to be invested directly in an investment approved by the court.

New law retains prior law and requires the investment to be interest-bearing.

Prior law (C.C.P. Art. 4521(A)(3)) authorized the funds to be placed in trust in accordance with the Louisiana Trust Code.

New law retains prior law and specifies that the trust be administered by an individual or corporate trustee as determined by the court.

Prior law authorized any combination of the prior law methods of managing the minor's funds. New law retains prior law.

Effective August 1, 2018.

(Amends C.C.P. Arts. 4272 and 4521)