

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 450

2020 Regular Session

Carter

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

CIVIL PROCEDURE. Exempts from seizure payments received under federal law COVID-19 relief. (gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Adds provisions defining and exempting payments, grants, or loans received from the federal government or the state from seizure.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

DIGEST

SB 450 Engrossed

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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 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 spousal or child support.

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

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

Proposed 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.

Proposed 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 proposed 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 proposed law.

Provides that the person asserting the exemption under proposed 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 proposed 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.

Proposed 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 or lapse of time for gubernatorial action.

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

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