

SENATE BILL NO. 450

BY SENATORS CARTER AND CONNICK

1 AN ACT

2 To enact R.S. 13:3881(A)(10) and R.S. 20:34, relative to funds received from governmental  
3 entities as the result of an extraordinary emergency event; to provide definitions; to  
4 provide exemptions from certain legal proceedings; to provide an exemption from  
5 seizure for certain payments received under federal law providing COVID-19  
6 stimulus and relief; to provide terms and conditions; to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 13:3881(A)(10) is hereby enacted to read as follows:

9 §3881. General exemptions from seizure

10 A. The following income or property of a debtor is exempt from seizure  
11 under any writ, mandate, or process whatsoever, except as otherwise herein  
12 provided:

13 \* \* \*

14 **(10) Any consumer stimulus payments directly received by the debtor**  
15 **pursuant to federal law enacted to provide for COVID-19 relief, except for**  
16 **seizure of spousal or child support payments. This Paragraph shall not apply**  
17 **to payments received by the debtor as unemployment compensation.**

18 \* \* \*

19 Section 2. R.S. 20:34 is hereby enacted to read as follows:

20 **§34. Payments, grants, and loans made by the United States, any state, or any**  
21 **federal or state agency resulting from the occurrence of an**  
22 **extraordinary emergency event**

23 **A. It is the public policy of the state of Louisiana that all payments,**  
24 **grants, or loans made by the United States, any state, or any federal or state**  
25 **agency as a result of a national or statewide extraordinary emergency event**

1 shall be used by the payee, grantee, or borrower for the purposes intended by  
2 the governmental authority which pays, grants, or lends the funds.

3 B. An "extraordinary emergency event" as used in this Section, means  
4 a presidentially or gubernatorially declared natural disaster, state of  
5 emergency, or public health emergency affecting Louisiana.

6 C. Any governmental payments, grants, or loans received as a result of  
7 an extraordinary emergency event by any natural or juridical person who is a  
8 citizen of the United States and domiciled in this state:

9 (1) After receipt by the person, are exempt from seizure, sale,  
10 attachment, or restraint under any writ, mandate, or order, except for the  
11 payment of alimony and child support as may be otherwise allowed by law and  
12 except to the extent of the balance due on debt secured by a security interest  
13 granted in such governmental grants, payments, or loans that the person  
14 granted after the extraordinary emergency event.

15 (2) Prior to the extraordinary emergency event may not be assigned by  
16 such person designating such payments, grants, or loans as security for the  
17 payment of any debt existing prior to the extraordinary emergency event for  
18 which the governmental payment, grant, or loan was made.

19 D.(1) After receipt by the person, all governmental grant funds,  
20 payments, or loan proceeds shall continue to be exempt from seizure and shall  
21 retain their exempt status as provided in Paragraph C, provided that the grant  
22 funds, payments, or loan proceeds are held separately in an account used  
23 exclusively for this purpose and expressly identified as an account opened under  
24 this Section.

25 (2) The person asserting the exemption created by this Section bears the  
26 burden of preventing or limiting a financial institution's compliance with or  
27 response to a seizure, sale, attachment, garnishment, or restraint subject to this  
28 Section by seeking an appropriate remedy, including a restraining order,  
29 injunction, protective order, or other remedy, to prevent or suspend the  
30 financial institution's response to a claim against the person.

1                    **E. The provisions of this Section are subject to and shall not supercede**  
 2                    **laws, regulations, rules, government-issued guidance or interpretations, or other**  
 3                    **specific provisions, governing a particular payment, grant, or loan program and**  
 4                    **pursuant to which the natural or juridical person received funds.**

5                    Section 3. This Act shall become effective upon signature by the governor or, if not  
 6                    signed by the governor, upon expiration of the time for bills to become law without signature  
 7                    by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 8                    vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 9                    effective on the day following such approval.

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 PRESIDENT OF THE SENATE

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 SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_