

Regular Session, 2013

SENATE BILL NO. 156

BY SENATOR BROOME

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

LEASES. Provides relative to leases and multi-family residential dwelling lessees' right to notification of foreclosure action. (8/1/13)

1 AN ACT

2 To enact R.S. 9:3260.1, relative to leases; to provide for a residential lessee's right to

3 notification of foreclosure action on the leased premises; to provide certain terms,

4 conditions, requirements and procedures; to provide for the duties of the lessor,

5 including manner and form of notice; to provide for the rights of the lessee, including

6 termination of the lease and recovery of certain amounts; and to provide for related

7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 9:3260.1 is hereby enacted to read as follows:

- 10 **§3260.1. Lessee's right to notification of foreclosure action**
- 11 **A. Prior to entering into a lease agreement for a residential dwelling unit**
- 12 **within a multi-family residential dwelling, the lessor shall disclose in writing to**
- 13 **the prospective lessee any pending foreclosure action to which the multi-family**
- 14 **residential dwelling is subject at the time of the signing of the lease, and the**
- 15 **right of the lessee to receive a notification of a foreclosure action pursuant to**
- 16 **this Section.**
- 17 **B. Within seven calendar days after being served pursuant to Code of**

1 Civil Procedure Article 2293 with a notice of seizure in a foreclosure action, a  
2 lessor of a multi-family residential dwelling subject to a notice of seizure in a  
3 foreclosure action shall provide written notice of the seizure to all lessees of any  
4 units within the premises.

5 C. The written disclosure required in Subsection B shall be signed by the  
6 lessor and shall include the name of the district court in which the foreclosure  
7 action is pending, the case name and docket number and the following  
8 statement: "This is not a notice to vacate the premises. This notice does not  
9 mean ownership of the building has changed. All lessees are still responsible for  
10 payment of rent and other obligations under the rental agreement. The lessor  
11 is still responsible for his obligations under the rental agreement. You will  
12 receive additional notice if there is a change in owner".

13 D. If a lessee in a civil legal proceeding against an owner or lessor  
14 establishes that a violation of this Section occurred, the lessee shall be entitled  
15 to recover two hundred dollars in damages, in addition to any other damages  
16 or remedies and costs to which the lessee may also be entitled.

17 E. The requirements of this Section shall apply to all lessors in  
18 residential leases involving multi-family residential dwellings, including lessors  
19 who are leasing multi-family residential dwellings subject to a federally-related  
20 mortgage loan, and to all lessees in residential leases within a multi-family  
21 residential dwelling, including such lessees receiving vouchers or housing  
22 assistance dollars pursuant to Section 8 of the United States Housing Act of  
23 1937.

24 F. The requirements of this Section shall not apply to a federally insured  
25 financial institution which is asserting its rights as an assignee of a lessor whose  
26 property is under foreclosure or as a mortgage holder.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Julie J. Baxter.

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### DIGEST

Broome (SB 156)

Proposed law provides for residential lessee's right to notification of foreclosure actions.

Proposed law provides that, prior to entering into a lease agreement for a residential dwelling unit within a multi-family residential dwelling, the lessor shall disclose in writing to the prospective lessee any pending foreclosure action to which the multi-family residential dwelling is subject at the time of the signing of the lease, and the right of the lessee to receive notification of a foreclosure action pursuant to proposed law.

Proposed law provides that, within seven calendar days after being served pursuant to Code of Civil Procedure Article 2293 with a notice of seizure in a foreclosure action, a lessor of a multi-family residential dwelling subject to a notice of seizure in a foreclosure action shall provide written notice of the seizure to all lessees of any unit within the premises.

Proposed law provides that the written disclosure required under proposed law shall be signed by the lessor and shall include the name of the district court in which the foreclosure action is pending, the case name and docket number and the following statement:

"This is not a notice to vacate the premises. This notice does not mean ownership of the building has changed. All lessees are still responsible for payment of rent and other obligations under the rental agreement. The lessor is still responsible for his obligations under the rental agreement. You will receive additional notice if there is a change in owner".

Proposed law provides that, if a lessee in a civil legal proceeding against a lessor establishes that a violation of this Section occurred, the lessee shall be entitled to recover two hundred dollars in damages, in addition to any other damages or remedies and costs to which the lessee may also be entitled.

Proposed law further provides that the requirements of proposed law shall apply to all lessors in residential leases involving multi-family residential dwellings, including lessors who are leasing multi-family residential dwellings subject to a federally-related mortgage loan, and to all lessees in residential leases within a multi-family residential dwelling, including such lessees receiving vouchers or housing assistance dollars pursuant to Section 8 of the United States Housing Act of 1937.

Proposed law provides that the proposed notice requirements shall not apply to a federally insured financial institution which is asserting its rights as an assignee of a lessor whose property is under foreclosure or as a mortgage holder.

Effective August 1, 2013.

(Adds R.S. 9:3260.1)

### Summary of Amendments Adopted by Senate

#### Committee Amendments Proposed by Senate Committee on Judiciary A to the original bill

1. Limits proposed notice requirements to lessors entering into a lease agreement with a prospective lessee for a residential dwelling unit within a

multi-family residential dwelling, and only if a foreclosure action is pending prior to the lessor entering into a lease agreement with the prospective lessee.

2. Deletes proposed notice requirement for lessor to notify any third party who has a consistent pattern and practice of paying rent to the owner or lessor on behalf of a lessee or tenant.
3. Deletes all references in the bill to "owners" or "tenants".
4. Deletes option that lessee may in writing terminate the lease agreement if the lessor does not provide the required written disclosures.
5. Revises language to provide that proposed law shall apply to all lessors and lessees in residential leases involving multi-family residential dwellings subject to a federally-related mortgage loan and to all multi-family residential dwelling lessees receiving vouchers or housing assistance dollars pursuant to Section 8 of the United States Housing Act of 1937.
6. Adds that proposed law shall not apply to a federally insured financial institution which is asserting its rights as an assignee of a lessor whose property is under foreclosure or as a mortgage holder.