

2016 Regular Session

HOUSE BILL NO. 122

BY REPRESENTATIVE JAY MORRIS

NEGOTIABLE INSTRUMENT: Provides relative to the sale of negotiable instruments and related rights

1 AN ACT

2 To amend and reenact Civil Code Article 2652, relative to the sale of litigious rights; to
3 provide for applicability to litigious rights arising from certain obligations; and to
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. Civil Code Article 2652 is hereby amended and reenacted to read as
7 follows:

8 Art. 2652. Sale of litigious rights

9 When a litigious right is assigned, the debtor may extinguish his obligation
10 by paying to the assignee the price the assignee paid for the assignment, with interest
11 from the time of the assignment.

12 A right is litigious, for that purpose, when it is contested in a suit already
13 filed.

14 Nevertheless, the debtor may not thus extinguish his obligation when the
15 assignment has been made to a co-owner of the assigned right; or to a possessor of
16 the thing subject to the litigious right, or when the litigious right arises from the
17 enforcement of a promissory note, mortgage, or other evidence of borrowed money.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 122 Engrossed

2016 Regular Session

Jay Morris

Abstract: Provides that a debtor may not extinguish his obligation by paying to the assignee of a litigious right the price the assignee paid for the assignment when the litigious right arises from the enforcement of a promissory note, mortgage, or other evidence of borrowed money.

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

Present law provides that the debtor may not extinguish his obligation under present law 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 retains present law and adds an exception for litigious rights which arise from the enforcement of a promissory note, mortgage, or other evidence of borrowed money.

(Amends C.C. Art. 2652)