AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

§3881. General exemptions from seizure
A. The following income or property of a debtor is exempt from seizure under any writ, mandate, or process whatsoever, except as otherwise herein provided:

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

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

§34. Payments, grants, and loans made by the United States, any state, or any federal or state agency resulting from the occurrence of an extraordinary emergency event
A. It is the public policy of the state of Louisiana that all payments, grants, or loans made by the United States, any state, or any federal or state agency as a result of a national or statewide extraordinary emergency event

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

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

C. 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) After receipt by the person, 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) Prior to the extraordinary emergency event may not be assigned by
such person designating such 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.

D.(1) 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 Paragraph C, 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 under
this Section.

(2) The person asserting the exemption created by this Section 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 this
Section 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.
E. The provisions of this Section are subject to and shall 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.

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

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____________

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