HLS 20RS-607 ORIGINAL

2020 Regular Session

HOUSE BILL NO. 255

1

BY REPRESENTATIVE LANDRY

SEIZURES/SALES: Provides relative to certain exemptions from seizure during bankruptcy

AN ACT

2	To amend and reenact R.S. 13:3881(A)(7) and (D)(1), relative to exemptions from seizure,
3	to provide relative to the exemption for motor vehicles; to provide an exemption for
4	health savings accounts; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 13:3881(A)(7) and (D)(1) are hereby amended and reenacted to read
7	as follows:
8	§3881. General exemptions from seizure
9	A. The following income or property of a debtor is exempt from seizure
10	under any writ, mandate, or process whatsoever, except as otherwise herein
11	provided:
12	* * *
13	(7) Seven thousand five hundred dollars in equity value for one One motor
14	vehicle per adult in the household, up to a maximum of two vehicles, used by the
15	debtor and his family household for any purpose. The equity value of the motor
16	vehicle shall be based on the NADA retail value for the particular year, make, and
17	model.
18	* * *
19	D.(1) Except as provided in Paragraph (2) of this Subsection and in R.S.
20	11:292, the following shall be exempt from all liability for any debt except alimony

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

and child support: all pensions, <u>all health savings accounts</u>, all tax-deferred arrangements, annuity contracts, and all proceeds of and payments under all tax-deferred arrangements and annuity contracts, as defined in Paragraph (3) of this Subsection.

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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 255 Original

2020 Regular Session

Landry

Abstract: Provides an exemption from seizure for up to two motor vehicles per household and for health savings accounts.

<u>Present law</u> provides general exemptions from seizure under any writ, mandate, or other process for certain income and property.

<u>Present law</u> provides for the exemption of certain percentages of disposable income, depending on the nature of the debt to be satisfied.

<u>Present law</u> provides an extensive list of household and personal items that are exempt from seizure, including clothing, bedding, chinaware, kitchen utensils, kitchen and laundry appliances, family portraits, military accoutrements, musical instruments, livestock, pets, firearms, and wedding and engagement rings not exceeding \$5,000 in value.

<u>Present law</u> exempts from seizure \$7,500 in equity value for one motor vehicle to be used by the debtor and his family household.

<u>Proposed law</u> exempts from seizure up to two motor vehicles to be used by the debtor and one other adult who is residing in the household.

<u>Present law</u> exempts from seizure \$7,500 in equity value for one motor vehicle per household which vehicle is substantially modified, equipped, or fitted for the purposes of adapting its use to the physical disability of the debtor or his family and is used by the debtor or his family for the transporting of such person with a disability for any use.

Proposed law retains present law.

<u>Present law</u> exempts from all liability for any debt except alimony and child support: all pensions, all tax-deferred arrangements, annuity contracts, and all proceeds of and payments under all tax-deferred arrangements and annuity contracts

Proposed law retains present law and also exempts health savings accounts.

(Amends R.S. 13:3881(A)(7) and (D)(1))