

RÉSUMÉ DIGEST

HB 343

2025 Regular Session

Davis

Present law (R.S. 20:1) provides exceptions to the homestead exemption which include:

- (1) The purchase price of property or any part of such purchase price.
- (2) Labor, money, and material furnished for building, repairing, or improving the homestead.
- (3) Liabilities incurred by any public officer, fiduciary, or any attorney at law for money collected or received on deposits.
- (4) Taxes or assessments.
- (5) Rent which bears a privilege upon said property.
- (6) Amounts which may be due on a homestead or building and loan association for a loan made by it on the security of the property.
- (7) Amounts which may be due for money advanced on the security of a mortgage on said property.
- (8) Any obligation arising from the conviction of a felony or misdemeanor which has the possibility of imprisonment of at least six months.

Proposed law would have added to the exceptions for homestead exemption any unpaid or accelerated assessments by an association subject to the La. Condominium Act collected by the association on a regular basis for routine expenditures used for the protection, improvement, and maintenance of the association's common elements and associated property.

Would have become effective August 1, 2025.

(Proposed to add R.S. 20:1(C)(9))

VETO MESSAGE:

"I am notifying you that I have vetoed House Bill 343 from the 2025 Regular Session.

Property owners have a constitutional and statutory right to the homestead exemption, which among other things protects against creditors seizing and forcing the sale of their primary residence, up to \$35,000 in value. For decades, exemptions to the homestead protection have been sparse, and no exception has ever existed for unpaid dues for condominium associations (COA) or the similarly structured homeowners' associations (HOA). Now, HB 343 seeks to weaken the homestead exemption by excluding unpaid condominium association (COA) fees from a unit owner's homestead exemption. In effect, this exemption allows COAs to undermine the protections of the homestead exemption by seeking the seizure or sale of a property for any unpaid fees. Weakening the homestead exemption in favor of allowing COAs to evict unit owners from their primary residence is bad policy for Louisiana.

Louisiana law has long protected the right of condominium associations (COAs) to recover unpaid assessment and fees from condominium owners. Revised Statute 9:1123.115 specifically entitles COAs to not only recover unpaid assessments, but to obtain a privilege (lien) on the condominium, to accelerate assessments under certain circumstances, and to recover attorneys' fees and costs for enforcing its rights. Moreover, the law allows the privilege to be superior to other liens, depending on the time that the privilege is recorded, and is inferior only to property taxes and governmental assessments. COAs maintain the right to enforce these rights through the legal system, to obtain judgment against the unit owner, and to enforce that judgment by all legal means necessary.

Given the rights and protections that Louisiana law provides to COAs, it is unnecessary to diminish the homestead exemption to make it easier for COAs to evict a unit owner and force the sale of a condominium. While the homestead exemption protects a unit owner's equity up to \$35,000, nothing under the law precludes a COA from recovery from any equity up to \$35,000, and does not preclude creditors from satisfying judgment from equity above this threshold. Additionally, I have seen no evidence that COAs are unable to enforce judgments or collect unpaid assessments through traditional means of debt recovery, such as judgment debtor examinations and wage garnishment following judgment, without evicting homeowners who may otherwise have little equity in their primary residence. COAs undoubtedly do not want unit owners who do not paid fees to remain, and HB 343 gives COAs a method to force them out of their residence and seize valuable equity they may have.

I understand the strain that unpaid assessments place on COAs, and I strongly encourage COAs to aggressively pursue lawful debt collection with the tools currently given to them under the law. However, I cannot support this unbalanced weakening of the homestead exemption.

For this reason, House Bill 343 will not become law."