

HOUSE RESEARCH

Bill Summary

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Subject: Debtor Exemptions

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This bill adds a general exemption provision into law, permitting a debtor to protect additional property—up to a value of \$10,000—from attachment, garnishment, or sale to satisfy the debtor’s liabilities as ordered by a court.

A debtor’s equity interest in property is the value of the property minus any outstanding liability may exist on that property.

The language specifies that the exemption provides an exemption for property that is *not* otherwise included as a specific exemption in section 550.37. Specified exemptions include personal property such as family Bibles, instruments, libraries, pews and burial plots; certain personal goods; farm machinery; tools of trade; university apparatus; inhabited manufactured homes; one motor vehicle; earnings not otherwise subject to garnishment; public assistance; earnings of a minor child including child support payments; claims for damages; certain life insurance interest; certain employee benefits; and specified proceeds related to the improvement of real estate.

This bill is made effective July 1, 2009.