

MAR 1 0 2006
Place On Calendar

HOUSE FILE 2739
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 503)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to exemptions for certain personal property from
2 execution by creditors in state court debt collection and
3 federal bankruptcy actions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF-2739

1 Section 1. Section 627.6, subsections 1, 5, 9, and 13,
2 Code 2005, are amended to read as follows:

3 1. ~~All-wearing-apparel-of-the-debtor-and-the-debtor's~~
4 ~~dependents-kept-for-actual-use-and-the-trunks-or-other~~
5 ~~receptacles-necessary-for-the-wearing-apparel, not-to-exceed~~
6 ~~in-value-one-thousand-dollars-in-the-aggregate.---In-addition,~~
7 ~~the~~ The debtor's interest in:

8 a. any Any wedding or engagement ring owned and or
9 received by the debtor or the debtor's dependents on-or-before
10 the-date-of-marriage. However, any interest acquired in one
11 or more wedding or engagement rings owned or received by the
12 debtor or the debtor's dependents after the date of marriage
13 and within two years of the date the execution is issued or an
14 exemption is claimed shall not exceed a value equal to seven
15 thousand dollars in the aggregate minus the amount claimed by
16 the debtor for any other jewelry claimed in paragraph "b".

17 b. All jewelry of the debtor and the debtor's dependents
18 owned or received by the debtor or the debtor's dependents,
19 not to exceed in value two thousand dollars in the aggregate.

20 5. The debtor's interest in all wearing apparel of the
21 debtor and the debtor's dependents kept for actual use and the
22 trunks or other receptacles necessary for the wearing apparel,
23 musical instruments, household furnishings, and household
24 goods, and which include but are not limited to appliances,
25 radios, television sets, record or tape playing machines,
26 compact disc players, satellite dishes, cable television
27 equipment, computers, software, printers, digital video disc
28 players, video players, and cameras held primarily for the
29 personal, family, or household use of the debtor or-a
30 dependent-of-the-debtor and the debtor's dependents, not to
31 exceed in value two seven thousand dollars in the aggregate.

32 9. ~~Any-combination-of-the-following, not-to-exceed-a-value~~
33 ~~of-five-thousand-dollars-in-the-aggregate~~ The debtor's
34 interest in the following:

35 a. ~~Musical-instruments, not-including-radios, television~~

1 ~~sets, or record or tape playing machines, held primarily for~~
2 ~~the personal, family, or household use of the debtor or a~~
3 ~~dependent of the debtor.~~

4 b. One motor vehicle, not to exceed in value seven
5 thousand dollars in the aggregate.

6 e. b. In the event of a bankruptcy proceeding, the
7 debtor's interest in accrued wages and in state and federal
8 tax refunds as of the date of filing of the petition in
9 bankruptcy, not to exceed one thousand dollars in the
10 aggregate. This exemption is in addition to the limitations
11 contained in sections 642.21 and 537.5105.

12 13. The debtor's interest, not to exceed one hundred
13 thousand dollars in the aggregate, in any cash on hand, bank
14 deposits, credit union share drafts, or other deposits,
15 wherever situated, or other personal property not otherwise
16 specifically provided for in this chapter.

17 Sec. 2. Section 627.6, Code 2005, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 15. The debtor's interest in the
20 following payments reasonably necessary for the support of the
21 debtor or the debtor's dependents:

22 a. Payments to or for the benefit of the debtor or the
23 debtor's dependents, including structured settlements,
24 resulting from the wrongful death of a decedent upon which the
25 debtor or the debtor's dependents were dependent.

26 b. Payments to or for the benefit of the debtor or the
27 debtor's dependents, including structured settlements,
28 resulting from bodily injuries to the debtor or the debtor's
29 dependents. Such payments shall include past and future
30 medical expenses, past and future earnings, and past and
31 future loss of bodily functions. Such payments shall not
32 include payments for pain and suffering, emotional distress,
33 and punitive damages or damages resulting from emotional
34 distress, sexual harassment, or employment discrimination.

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EXPLANATION

1 This bill relates to exemptions for certain personal
2 property from execution by creditors in state court debt
3 collection and federal bankruptcy actions.

4 The bill provides that any exempt wedding or engagement
5 rings owned or received by a debtor or a debtor's dependents
6 after marriage but within two years of the date execution is
7 issued or an exemption is claimed shall not exceed a value of
8 \$7,000 in the aggregate minus up to \$2,000 for any other
9 jewelry claimed by the debtor or the debtor's dependents. The
10 current unlimited exemption for any wedding or engagement ring
11 owned or received by a debtor and a debtor's dependents prior
12 to or on the date of marriage remains intact.

13 The bill specifies that the debtor and the debtor's
14 dependents' interest in wearing apparel and household goods,
15 including but not limited to radios, television sets, record
16 or tape playing machines, compact disc players, satellite
17 dishes, cable television equipment, computers, software,
18 printers, digital video disc players, video players, and
19 cameras held primarily for personal, family, and household use
20 of the debtor and the debtor's dependents shall not exceed
21 \$7,000 in the aggregate. Current law separately limits the
22 wearing apparel exemption to \$1,000 and household goods
23 exemption to \$2,000.

24 The bill allows a debtor to claim an exemption on a motor
25 vehicle not to exceed a value of \$7,000 in the aggregate.
26 Current law places no limitation on such an exemption.

27 The bill increases the amount of the debtor's interest in
28 any cash on hand, bank deposits, credit union share drafts, or
29 other deposits or other personal property from \$100 to \$1,000.

30 The bill creates a new exemption relating to a debtor's
31 interest in support payments to include payments to or for the
32 benefit of the debtor or the debtor's dependents, including
33 structured settlements, resulting from the wrongful death of a
34 decedent upon which the debtor or the debtor's dependents were
35 dependent, and payments to or for the benefit of the debtor or

1 the debtor's dependents, including structured settlements,
2 resulting from bodily injuries to the debtor or the debtor's
3 dependents, including past and future medical expenses, past
4 and future earnings, and past and future loss of bodily
5 functions. Such payments shall not include payments for pain
6 and suffering, emotional distress, and punitive damages or
7 damages resulting from emotional distress, sexual harassment,
8 or employment discrimination.

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HOUSE FILE 2739

H-8547

- 1 Amend House File 2739 as follows:
- 2 1. Page 2, by striking lines 19 through 34 and
- 3 inserting the following:
- 4 "NEW SUBSECTION. 15. The debtor's interest in
- 5 payments reasonably necessary for the support of the
- 6 debtor or the debtor's dependents to or for the
- 7 benefit of the debtor or the debtor's dependents,
- 8 including structured settlements, resulting from the
- 9 wrongful death of a decedent upon which the debtor or
- 10 the debtor's dependents were dependent."
- 11 2. By renumbering as necessary.

By ANDERSON of Page

H-8547 FILED APRIL 13, 2006

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Anderson, Ch.
Van Fossen
Swaim

HSB 503

JUDICIARY

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON PAULSEN)

Succeeded by
SF 02139

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

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6 ~~in-value-one-thousand-dollars-in-the-aggregate.--In-addition,~~
7 ~~the~~ The debtor's interest in:

8 a. any Any wedding or engagement ring owned and or
9 received by the debtor or the debtor's dependents on or before
10 the date of marriage. In addition, any interest in one or
11 more wedding or engagement rings owned or received by the
12 debtor and the debtor's dependents after the date of marriage
13 but within two years of the date of execution is issued or an
14 exemption is claimed, not to exceed a value equal to seven
15 thousand dollars in the aggregate minus the amount claimed by
16 the debtor and the debtor's dependents for any other jewelry
17 claimed in paragraph "b".

18 b. All jewelry of the debtor and the debtor's dependents
19 owned or received by the debtor and the debtor's dependents,
20 not to exceed in value two thousand dollars in the aggregate.

21 5. The debtor's interest in all wearing apparel of the
22 debtor and the debtor's dependents kept for actual use and the
23 trunks or other receptacles necessary for the wearing apparel,
24 musical instruments, household furnishings, and household
25 goods and which include, but are not limited to, appliances,
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28 equipment, computers, software, printers, digital video disc
29 players, video players, and cameras held primarily for the
30 personal, family, or household use of the debtor or a
31 ~~dependent-of-the-debtor~~ and the debtor's dependents, not to
32 exceed in value two seven thousand dollars in the aggregate.

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34 ~~of-five-thousand-dollars-in-the-aggregate~~ The debtor's
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6 dollars in the aggregate.

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13 13. The debtor's interest, not to exceed one **hundred**
14 **thousand** dollars in the aggregate, in any cash on hand, bank
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19 following new subsection:

20 NEW SUBSECTION. 15. The debtor's interest in the
21 following payments reasonably necessary for the support of the
22 debtor or the debtor's dependents:

23 a. Payments to or for the benefit of the debtor or the
24 debtor's dependents resulting from the wrongful death of a
25 decedent upon which the debtor or the debtor's dependents were
26 dependent.

27 b. Payments compensating the debtor or the debtor's
28 dependents for injuries to the debtor or the debtor's
29 dependents. Such payments shall not include payments for pain
30 and suffering, compensation of actual pecuniary loss, lost
31 wages, psychological or emotional distress, sexual harassment,
32 and employment discrimination.

33 EXPLANATION

34 This bill relates to exemptions for certain personal
35 property from execution by creditors in state court debt

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2 The bill provides that any exempt wedding or engagement
3 rings owned or received by a debtor and a debtor's dependents
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6 and the debtor's dependents shall not exceed a value of \$7,000
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27 any cash on hand, bank deposits, credit union share drafts, or
28 other deposits or other personal property from \$100 to \$1,000.

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30 interest in support payments to include payments to or for the
31 benefit of the debtor and the debtor's dependents resulting
32 from the wrongful death of a decedent upon which the debtor
33 and the debtor's dependents were dependent and payments
34 compensating the debtor and the debtor's dependents for
35 injuries to the debtor and the debtor's dependents, other than

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S.F. _____ H.F. _____

1 for pain and suffering, compensation of actual pecuniary loss,
2 lost wages, psychological or emotional distress, sexual
3 harassment, and employment discrimination.

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