

HB 1657 -- BANKRUPTCY EXEMPTIONS

SPONSOR: Roberts

This bill modifies existing exemptions from attachment by certain creditors. Such exemptions are also available to a debtor in the filing of a bankruptcy.

The bill increases dollar exemptions on the following property:

- (1) Jewelry, other than a wedding ring: from \$500 to \$2,000;
- (2) Other property of any kind not identified elsewhere: from \$600 to \$10,000;
- (3) Motor vehicle: from \$3,000 to \$40,000;
- (4) Matured life insurance proceeds for funeral, cremation, or burial: from \$15,000 to \$30,000;
- (5) Unmatured life insurance dividend or interest: from \$150,000 to \$350,000. Currently, the law does not allow for an exemption of such dividends or interest when a claim of child support is made. This bill repeals that provision;
- (6) Stock bonus plan, pension plan, disability or death benefit plan, profit-sharing plan, nonpublic retirement plan: the bill repeals a provision allowing for the attachment or execution on any payments received through one of the above-named plans if the plan is part of a qualified domestic relations order issued pursuant to a dissolution of marriage or legal separation;
- (7) Retirement plan, profit-sharing plan, health savings plan: Currently, the law does not allow for an exemption of such plans if a claim is made by an alternative payee to a qualified domestic relations order. This bill repeals that provision;
- (8) Firearms, firearm accessories, ammunition: from \$1,500 to \$5,500; and
- (9) Money accruing to and deposited in individual savings accounts or individual deposit accounts for the Missouri Education Program and the Missouri Education Deposit Program: Currently, the law does not allow for an exemption of such money if the beneficiary of the account owner is a lineal descendant and a claim is made by a creditor of the account owner as to amounts contributed within a two-year period preceding the date of a filed bankruptcy, or when a claim is made within a one-year period preceding an execution on

judgment against the account owner. This bill repeals those provision.

(10) Currently, the law does not allow for an exemption of a retirement plan in which any money or assets found therein are subject to attachment or execution as set forth in a valid judicial or administrative order for the payment of child support or maintenance. This bill repeals this provision.

(11) Homestead, consisting of a dwelling house and appurtenances, and the land used in connection therewith: from \$15,000, now unlimited, subject to applicable federal bankruptcy law. This bill further does not prevent an individual from encumbering his or her real property for purposes of utilizing such real property as collateral for a loan, and the mortgage holder shall retain all rights to the collection of moneys owed as allowed under contract for deed.