

SENATE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1870
AN ACT

To repeal sections 513.380, 513.430, and 513.475, RSMo, and to enact in lieu thereof five new sections relating to garnishments, with an effective date for certain sections.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 513.380, 513.430, and 513.475, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 513.380, 513.423, 513.430, 513.475, and 525.235, to read as follows:

513.380. 1. [Whenever an execution against the property of any judgment debtor, individual or corporate, issued from any court in this state, shall be returned unsatisfied, in whole or in part, by any sheriff or other proper officer, the] A judgment creditor [in such execution, his executor, administrator or assign, may,] shall, upon motion made at any time [within five years after such return so made] before the judgment has been satisfied of record by the judgment creditor and before the judgment being presumed paid and satisfied under section 516.350, be entitled to an order by the court rendering such judgment, requiring the judgment debtor or, in the case of a corporate judgment debtor, its chief officer to appear before such court at a time and place in said order to be named, to undergo an examination under oath touching his or her ability and means to satisfy said judgment, and in case of neglect or refusal on the part of such judgment debtor or, in the case of a

18 corporate debtor, its chief officer to obey such order, such
19 court is hereby authorized to issue a writ of attachment
20 against said debtor, as now provided by law, and to punish
21 him or, in the case of a corporate debtor, its chief officer
22 for contempt.

23 2. [Any prosecuting attorney or circuit attorney may
24 grant use immunity from prosecution to a judgment debtor for
25 any statement made at a judgment debtor's examination
26 conducted pursuant to subsection 1 of this section. Such
27 use immunity from prosecution shall protect such person from
28 prosecution for any offense related to the content of the
29 statements made] For any statement made at a judgment
30 debtor's examination and conducted pursuant to subsection 1
31 of this section, a judgment debtor shall enjoy full use
32 immunity and derivative use immunity from prosecution
33 coextensive with their constitutional privilege against self-
34 incrimination. No testimony or other information directly
35 or indirectly derived therefrom, compelled under subsection
36 1 of this section, may be used against the witness in any
37 criminal case, except a prosecution for perjury or giving a
38 false statement.

513.423. 1. On April 1, 2029, and on each three-year
2 interval ending on April first thereafter, each dollar
3 amount in effect under sections 513.430 and 513.475 shall be
4 adjusted:

5 (1) To reflect the change in the Consumer Price Index
6 for All Urban Consumers, published by the United States
7 Department of Labor, or its successor index, for the most
8 recent three-year period ending immediately before January
9 first preceding such April first; and

10 (2) To round to the nearest twenty-five dollars, the
11 dollar amount that represents such change.

12 2. Not later than March 1, 2029, and at each three-
13 year interval ending on March first thereafter, the revisor
14 of statutes shall publish a schedule of adjusted dollar
15 amounts, which will become effective on such April first,
16 annually in an appendix to the revised statutes of
17 Missouri. The revisor of statutes shall place a revisor's
18 note following section 513.430 or 513.475 referencing the
19 appendix of the adjusted dollar amounts.

20 3. Adjustments made in accordance with subsection 1 of
21 this section shall not apply with respect to cases commenced
22 before the date of such adjustments.

513.430. 1. The following property shall be exempt
2 from attachment and execution to the extent of any person's
3 interest therein:

4 (1) Household furnishings, household goods, wearing
5 apparel, appliances, books, animals, crops or musical
6 instruments that are held primarily for personal, family or
7 household use of such person or a dependent of such person,
8 not to exceed ~~three~~ fifteen thousand dollars in value in
9 the aggregate;

10 (2) A wedding ring not to exceed one thousand five
11 hundred dollars in value and other jewelry held primarily
12 for the personal, family or household use of such person or
13 a dependent of such person, not to exceed ~~five~~ one
14 thousand seven hundred dollars in value in the aggregate;

15 (3) Any other property of any kind, not to exceed in
16 value ~~six~~ one thousand seven hundred dollars in the
17 aggregate;

18 (4) Any implements or professional books or tools of
19 the trade of such person or the trade of a dependent of such
20 person not to exceed three thousand dollars in value in the
21 aggregate;

22 (5) Any motor vehicles, not to exceed [three] five
23 thousand dollars in value in the aggregate plus up to ten
24 thousand dollars of any unused amount of the exemption
25 provided under subdivision (1) of this subsection may be
26 allocated to a motor vehicle;

27 (6) Any mobile home used as the principal residence
28 but not attached to real property in which the debtor has a
29 fee interest, not to exceed [five] twelve thousand dollars
30 in value;

31 (7) Any one or more unmatured life insurance contracts
32 owned by such person, other than a credit life insurance
33 contract, and up to fifteen thousand dollars of any matured
34 life insurance proceeds for actual funeral, cremation, or
35 burial expenses where the deceased is the spouse, child, or
36 parent of the beneficiary;

37 (8) The amount of any accrued dividend or interest
38 under, or loan value of, any one or more unmatured life
39 insurance contracts owned by such person under which the
40 insured is such person or an individual of whom such person
41 is a dependent; provided, however, that if proceedings under
42 Title 11 of the United States Code are commenced by or
43 against such person, the amount exempt in such proceedings
44 shall not exceed in value one hundred fifty thousand dollars
45 in the aggregate less any amount of property of such person
46 transferred by the life insurance company or fraternal
47 benefit society to itself in good faith if such transfer is
48 to pay a premium or to carry out a nonforfeiture insurance
49 option and is required to be so transferred automatically
50 under a life insurance contract with such company or society
51 that was entered into before commencement of such
52 proceedings. No amount of any accrued dividend or interest
53 under, or loan value of, any such life insurance contracts
54 shall be exempt from any claim for child support.

55 Notwithstanding anything to the contrary, no such amount
56 shall be exempt in such proceedings under any such insurance
57 contract which was purchased by such person within one year
58 prior to the commencement of such proceedings;

59 (9) Professionally prescribed health aids for such
60 person or a dependent of such person;

61 (10) Such person's right to receive:

62 (a) A Social Security benefit, unemployment
63 compensation or a public assistance benefit;

64 (b) A veteran's benefit;

65 (c) A disability, illness or unemployment benefit;

66 (d) Alimony, support or separate maintenance, not to
67 exceed seven hundred fifty dollars a month;

68 (e) a. Any payment under a stock bonus plan, pension
69 plan, disability or death benefit plan, profit-sharing plan,
70 nonpublic retirement plan or any plan described, defined, or
71 established pursuant to section 456.014, the person's right
72 to a participant account in any deferred compensation
73 program offered by the state of Missouri or any of its
74 political subdivisions, or annuity or similar plan or
75 contract on account of illness, disability, death, age or
76 length of service, to the extent reasonably necessary for
77 the support of such person and any dependent of such person
78 unless:

79 (i) Such plan or contract was established by or under
80 the auspices of an insider that employed such person at the
81 time such person's rights under such plan or contract arose;

82 (ii) Such payment is on account of age or length of
83 service; and

84 (iii) Such plan or contract does not qualify under
85 Section 401(a), 403(a), 403(b), 408, 408A or 409 of the
86 Internal Revenue Code of 1986, as amended, (26 U.S.C.
87 Section 401(a), 403(a), 403(b), 408, 408A or 409).

88 b. Notwithstanding the exemption provided in
89 subparagraph a. of this paragraph, any such payment to any
90 person shall be subject to attachment or execution pursuant
91 to a qualified domestic relations order, as defined by
92 Section 414(p) of the Internal Revenue Code of 1986 (26
93 U.S.C. Section 414(p)), as amended, issued by a court in any
94 proceeding for dissolution of marriage or legal separation
95 or a proceeding for disposition of property following
96 dissolution of marriage by a court which lacked personal
97 jurisdiction over the absent spouse or lacked jurisdiction
98 to dispose of marital property at the time of the original
99 judgment of dissolution;

100 (f) Any money or assets, payable to a participant or
101 beneficiary from, or any interest of any participant or
102 beneficiary in, a retirement plan, profit-sharing plan,
103 health savings [plan] account, or similar plan, including an
104 inherited account or plan, that is qualified under Section
105 223, 401(a), 403(a), 403(b), 408, 408A or 409 of the
106 Internal Revenue Code of 1986 (26 U.S.C. Section 223,
107 401(a), 403(a), 403(b), 408, 408A, or 409), as amended,
108 whether such participant's or beneficiary's interest arises
109 by inheritance, designation, appointment, or otherwise,
110 except as provided in this paragraph. Any plan or
111 arrangement described in this paragraph shall not be exempt
112 from the claim of an alternate payee under a qualified
113 domestic relations order; however, the interest of any and
114 all alternate payees under a qualified domestic relations
115 order shall be exempt from any and all claims of any
116 creditor, other than the state of Missouri through its
117 department of social services. As used in this paragraph,
118 the terms "alternate payee" and "qualified domestic
119 relations order" have the meaning given to them in Section
120 414(p) of the Internal Revenue Code of 1986 (26 U.S.C.

121 Section 414(p)), as amended. If proceedings under Title 11
122 of the United States Code are commenced by or against such
123 person, no amount of funds shall be exempt in such
124 proceedings under any such plan, contract, or trust which is
125 fraudulent as defined in subsection 2 of section 428.024 and
126 for the period such person participated within three years
127 prior to the commencement of such proceedings. For the
128 purposes of this section, when the fraudulently conveyed
129 funds are recovered and after, such funds shall be deducted
130 and then treated as though the funds had never been
131 contributed to the plan, contract, or trust;

132 (11) The debtor's right to receive, or property that
133 is traceable to, a payment on account of the wrongful death
134 of an individual of whom the debtor was a dependent, to the
135 extent reasonably necessary for the support of the debtor
136 and any dependent of the debtor;

137 (12) Firearms, firearm accessories, and ammunition,
138 not to exceed one thousand five hundred dollars in value in
139 the aggregate;

140 (13) Any moneys accruing to and deposited in
141 individual savings accounts or individual deposit accounts
142 under sections 166.400 to 166.456 or sections 166.500 to
143 166.529, subject to the following provisions:

144 (a) This subdivision shall apply to any proceeding
145 that:

146 a. Is filed on or after January 1, 2022; or

147 b. Was filed before January 1, 2022, and is pending or
148 on appeal after January 1, 2022;

149 (b) Except as provided by paragraph (c) of this
150 subdivision, if the designated beneficiary of an individual
151 savings account or individual deposit account established
152 under sections 166.400 to 166.456 or sections 166.500 to
153 166.529 is a lineal descendant of the account owner, all

154 moneys in the account shall be exempt from any claims of
155 creditors of the account owner or designated beneficiary;

156 (c) The provisions of paragraph (b) of this
157 subdivision shall not apply to:

158 a. Claims of any creditor of an account owner as to
159 amounts contributed within a two-year period preceding the
160 date of the filing of a bankruptcy petition under 11 U.S.C.
161 Section 101 et seq., as amended; or

162 b. Claims of any creditor of an account owner as to
163 amounts contributed within a one-year period preceding an
164 execution on judgment for such claims against the account
165 owner.

166 2. Nothing in this section shall be interpreted to
167 exempt from attachment or execution for a valid judicial or
168 administrative order for the payment of child support or
169 maintenance any money or assets, payable to a participant or
170 beneficiary from, or any interest of any participant or
171 beneficiary in, a retirement plan which is qualified
172 pursuant to Sections 408 and 408A of the Internal Revenue
173 Code of 1986 (26 U.S.C. Sections 408 and 408A), as amended.

513.475. 1. The homestead of every person, consisting
2 of a dwelling house and appurtenances, and the land used in
3 connection therewith, not exceeding the aggregate value of
4 **[fifteen]** forty thousand dollars, which is or shall be used
5 by such person as a homestead, shall, together with the
6 rents, issues and products thereof, be exempt from
7 attachment and execution. The exemption allowed under this
8 section shall not be allowed for more than one owner of any
9 homestead if one owner claims the entire amount allowed
10 under this subsection; but, if more than one owner of any
11 homestead claims an exemption under this section, the
12 exemption allowed to each of such owners shall not exceed,

13 in the aggregate, the total exemption allowed under this
14 subsection as to any one homestead.

15 2. Either spouse separately shall be debarred from and
16 incapable of selling, mortgaging or alienating the homestead
17 in any manner whatever, and every such sale, mortgage or
18 alienation is hereby declared null and void; provided,
19 however, that nothing herein contained shall be so construed
20 as to prevent the husband and wife from jointly conveying,
21 mortgaging, alienating or in any other manner disposing of
22 such homestead, or any part thereof.

525.235. 1. For purposes of this section, the term
2 "financial institution" means a federally insured bank,
3 savings bank, savings and loan association, or credit union.

4 2. All orders of garnishment issued in this state for
5 the purpose of attaching to account funds on deposit held by
6 a financial institution shall be issued only under this
7 section and shall attach only to such funds held by the
8 financial institution on the date of service on the
9 financial institution, provided the effective date of
10 service shall be a banking day and provided service is made
11 prior to the financial institution's business cutoff time,
12 otherwise the service on the financial institution shall be
13 effective on the next banking day. If an account receives
14 electronic deposits of exempt protected funds including, but
15 not limited to, funds described under subdivision (10) of
16 subsection 1 of section 513.430, the attachment date for
17 such account shall be the date and banking day that the
18 financial institution applies for the federally required
19 look-back analysis to determine the protected amount. The
20 return date for orders of garnishment under this section
21 shall not be less than thirty days from the effective date
22 of service.

23 3. All orders of garnishment issued in this state for
24 the purpose of attaching to account funds held by a
25 financial institution shall include the judgment debtor's
26 address and the last four digits of the debtor's tax
27 identification number, if known, and shall specify the
28 amount of funds to be withheld by the garnishee.

29 4. If an order of garnishment attaches to account
30 funds held by a financial institution and the garnishee
31 holds funds of the judgment debtor in two or more accounts,
32 the garnishee may withhold payment of the amount attached
33 from any accounts belonging to a judgment debtor and such
34 accounts may have a different attachment date if necessary
35 for the federally required look-back analysis.

36 5. If an order of garnishment attaches to account
37 funds held by a financial institution and the garnishee
38 holds funds of the judgment debtor in an account which the
39 judgment debtor owns in joint tenancy with one or more
40 individuals who are not subject to the garnishment, the
41 garnishee shall withhold the entire amount sought by the
42 garnishment. The garnishee shall provide a copy of the
43 order of garnishment to each account holder within two
44 business days to the address provided to the garnishee by
45 each account holder by mail or electronically if authorized
46 by the account holder. Each account holder may file an
47 objection or request of exemption of all or a portion of the
48 account with the court that issued the order of garnishment
49 within thirty days of the date the garnishment attaches and
50 serve their objection or request for exemption on the
51 garnishor and the garnishee. If the objection or request of
52 exemption is not resolved within thirty days of the timely
53 filing of the objection or request of exemption, the
54 garnishee may pay the garnished funds to the circuit court

55 to be held for pending resolution of the objection or
56 request.

57 6. No party shall seek an order of garnishment
58 attaching to account funds held by a financial institution
59 except on good faith belief of the party seeking garnishment
60 that the party to be served with the garnishment order has,
61 or will have, account assets of the judgment debtor. Except
62 as provided in this subsection, not more than one
63 garnishment shall be issued by a party seeking an order of
64 garnishment under this section for the same garnishee
65 applicable to the same claim or claims and against the same
66 judgment debtor in any thirty-day period. A judge may order
67 an exception to this subsection in any case in which the
68 party seeking the garnishment shall in person or by attorney:

69 (1) Certify that the garnishment is not for the
70 purpose of harassment of the debtor; and

71 (2) State facts demonstrating to the satisfaction of
72 the judge that there is reason to believe that the garnishee
73 has property of the debtor that is not exempt from execution.

74 7. No financial institution shall have a duty to
75 investigate or assert any defenses of a judgment debtor.

76 8. A financial institution served an order of
77 garnishment and interrogatories under this section shall
78 answer within twenty days. Funds shall be released to the
79 judgment debtor sixty days after an answer is submitted, or
80 sooner if required under an order to pay, or paid into the
81 court if objections are filed by the judgment debtor and the
82 financial institution is served with a copy of the
83 objections.

84 9. This section does not apply to wage garnishments or
85 to garnishments of property other than account funds held by
86 a financial institution, and a garnishment issued under this
87 section does not require a garnishee to search for, hold, or

88 return wages or other property. A garnishment under this
89 section does not require a garnishee to report or hold or
90 respond to interrogatories not related to account funds.

91 10. This section does not limit the authority of a
92 garnishor to obtain and issue an order of garnishment and
93 interrogatories for wages or for property, other than
94 account funds, held by a financial institution pursuant to
95 law and the rules of the Missouri supreme court.

96 11. (1) A garnishee acting in good faith compliance
97 with a facially valid order of garnishment under this
98 section shall not be liable to any debtor, creditor, or
99 other person for withholding, restraining, or releasing
100 funds in reasonable reliance upon the terms of the writ or
101 order.

102 (2) A garnishee shall not be required to:

103 (a) Adjudicate competing claims of ownership to
104 property or funds;

105 (b) Determine the legal sufficiency or validity of the
106 underlying judgment; or

107 (c) Investigate facts outside the information
108 contained in the writ or the garnishee's business records.

109 (3) A garnishee shall be liable for damages arising
110 from a garnishment only if:

111 (a) The garnishee fails to follow the clear and
112 express terms of the writ or order;

113 (b) Such failure constitutes gross negligence or
114 willful misconduct; and

115 (c) Actual damages are proven.

116 (4) A garnishee shall not be liable if the garnishee
117 corrects an error within five business days after receiving
118 written notice identifying the alleged error and promptly
119 releases any improperly restrained funds.

120 (5) Temporary restraint of funds pending review of a
121 claimed exemption shall not create liability if the
122 garnishee, garnishor, and judgment debtor or other persons
123 act within time frames required by law.

124 12. The provisions of subsections 1 to 11 of this
125 section shall be effective January 1, 2028.

126 13. The provisions of this section shall be
127 implemented and administered in accordance with rules of the
128 Missouri supreme court.

 Section B. The enactment of section 513.423 and the
2 repeal and reenactment of sections 513.380, 513.430, and
3 513.475 of this act shall become effective on January 1,
4 2027.