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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2500

03/02/2023

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The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law

1.1 A bill for an act
1.2 relating to civil actions; expanding types of property that cannot be attached,
1.3 garnished, or sold in a final judgment; amending Minnesota Statutes 2022, section
1.4 550.37, subdivisions 2, 4, 6, 12a, 14, 22, 23, by adding subdivisions.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 550.37, subdivision 2, is amended to read:

1.7 Subd. 2. **Bible and musical instrument.** The family Bible, library, Koran, prayer rug,
1.8 other like religious items, and musical instruments not exceeding \$2,000.

1.9 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
1.10 of action pending on or commenced on or after that date.

1.11 Sec. 2. Minnesota Statutes 2022, section 550.37, subdivision 4, is amended to read:

1.12 Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and foodstuffs
1.13 of the debtor and the debtor's family.

1.14 (b) Household furniture, household appliances, phonographs, ~~radio and television~~
1.15 ~~receivers~~ radios, computers, tablets, televisions, printers, cell phones, and similar consumer
1.16 electronics of the debtor and the debtor's family, not exceeding \$11,250 in value.

1.17 (c) The debtor's aggregate interest, not exceeding \$3,062.50 in value, in ~~wedding rings~~
1.18 ~~or other religious or culturally recognized symbols of marriage exchanged between the~~
1.19 ~~debtor and spouse at the time of the marriage and~~ jewelry in the debtor's possession.

2.1 The exemption provided by this subdivision may not be waived except with regard to
 2.2 purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase
 2.3 money security interest in the property exempt under this subdivision is void.

2.4 If a debtor has property of the type which would qualify for the exemption under clause
 2.5 (b), of a value in excess of \$11,250 an itemized list of the exempt property, together with
 2.6 the value of each item listed, shall be attached to the security agreement at the time a security
 2.7 interest is taken, and a creditor may take a nonpurchase money security interest in the excess
 2.8 over \$11,250 by requiring the debtor to select the exemption in writing at the time the loan
 2.9 is made.

2.10 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
 2.11 of action pending on or commenced on or after that date.

2.12 Sec. 3. Minnesota Statutes 2022, section 550.37, subdivision 6, is amended to read:

2.13 Subd. 6. **Tools of trade.** The tools, implements, machines, vehicles, instruments, office
 2.14 furniture, stock in trade, and library reasonably necessary in the trade, business, or profession
 2.15 of the debtor, not exceeding \$12,500 in value.

2.16 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
 2.17 of action pending on or commenced on or after that date.

2.18 Sec. 4. Minnesota Statutes 2022, section 550.37, subdivision 12a, is amended to read:

2.19 Subd. 12a. **Motor vehicles.** One motor vehicle to the extent of a value not exceeding
 2.20 ~~\$5,000~~ \$7,500; or one motor vehicle to the extent of a value not exceeding \$50,000 that has
 2.21 been modified, at a cost of not less than \$3,750, to accommodate the physical disability
 2.22 making a disabled person eligible for a certificate authorized by section 169.345.

2.23 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
 2.24 of action pending on or commenced on or after that date.

2.25 Sec. 5. Minnesota Statutes 2022, section 550.37, subdivision 14, is amended to read:

2.26 Subd. 14. **Public assistance.** All government assistance based on need, and the earnings
 2.27 or salary of a person who is a recipient of government assistance based on need, shall be
 2.28 exempt from all claims of creditors including any contractual setoff or security interest
 2.29 asserted by a financial institution. For the purposes of this chapter, government assistance
 2.30 based on need includes but is not limited to Minnesota family investment program,
 2.31 Supplemental Security Income, medical assistance, MinnesotaCare, payment of Medicare

3.1 part B premiums or receipt of part D extra help, MFIP diversionary work program, work
 3.2 participation cash benefit, Minnesota supplemental assistance, emergency Minnesota
 3.3 supplemental assistance, general assistance, emergency general assistance, emergency
 3.4 assistance or county crisis funds, energy or fuel assistance, ~~and~~ Supplemental Nutrition
 3.5 Assistance Program (SNAP), and the portion of any tax refund attributable to the Earned
 3.6 Income Tax Credit, Minnesota Working Family Credit, and additional child tax credit. The
 3.7 salary or earnings of any debtor who is or has been an eligible recipient of government
 3.8 assistance based on need, or an inmate of a correctional institution shall, upon the debtor's
 3.9 return to private employment or farming after having been an eligible recipient of government
 3.10 assistance based on need, or an inmate of a correctional institution, be exempt from
 3.11 attachment, garnishment, or levy of execution for a period of six months after the debtor's
 3.12 return to employment or farming and after all public assistance for which eligibility existed
 3.13 has been terminated. The exemption provisions contained in this subdivision also apply for
 3.14 60 days after deposit in any financial institution, whether in a single or joint account. In
 3.15 tracing the funds, the first-in first-out method of accounting shall be used. The burden of
 3.16 establishing that funds are exempt rests upon the debtor. Agencies distributing government
 3.17 assistance and the correctional institutions shall, at the request of creditors, inform them
 3.18 whether or not any debtor has been an eligible recipient of government assistance based on
 3.19 need, or an inmate of a correctional institution, within the preceding six months.

3.20 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
 3.21 of action pending on or commenced on or after that date.

3.22 Sec. 6. Minnesota Statutes 2022, section 550.37, subdivision 22, is amended to read:

3.23 Subd. 22. **Rights of action.** Rights of action for injuries to the person of the debtor or
 3.24 of a relative whether or not resulting in death. Injuries to the person include physical, mental,
 3.25 and emotional injuries.

3.26 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
 3.27 of action pending on or commenced on or after that date.

3.28 Sec. 7. Minnesota Statutes 2022, section 550.37, subdivision 23, is amended to read:

3.29 Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to
 3.30 exceed in value \$10,000 in any accrued ~~dividend~~ dividends or interest under or loan value
 3.31 of any unexpired life insurance ~~contract~~ contracts owned by the debtor under which the
 3.32 insured is the debtor or an individual of whom the debtor is a dependent.

4.1 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
4.2 of action pending on or commenced on or after that date.

4.3 Sec. 8. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
4.4 read:

4.5 Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to
4.6 exceed \$3,000, in hand and power tools, snow removal equipment, and lawnmowers.

4.7 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
4.8 of action pending on or commenced on or after that date.

4.9 Sec. 9. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
4.10 read:

4.11 Subd. 28. **Property tax refunds.** Any refund due under chapter 290A, up to a present
4.12 value of \$3,000.

4.13 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
4.14 of action pending on or commenced on or after that date.

4.15 Sec. 10. Minnesota Statutes 2022, section 550.37, is amended by adding a subdivision to
4.16 read:

4.17 Subd. 29. **Any Property.** The debtor's aggregate interest in any property except earnings,
4.18 not to exceed \$5,000. The provisions of this section do not apply to the exemption of wages,
4.19 that subject being fully provided for by subdivision 13 and section 571.922.

4.20 **EFFECTIVE DATE.** This section is effective August 1, 2023, and applies to causes
4.21 of action pending on or commenced on or after that date.