

CHAPTER 550

EXECUTIONS, REDEMPTION, EXEMPTIONS

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550.01 ENFORCEMENT OF JUDGMENT. The party in whose favor a judgment is given, or the assignee of such judgment, may proceed to enforce the same, at any time within ten years after the entry thereof, in the manner provided by law.
 [*RL s 4287*] (9416)

550.02 JUDGMENTS; METHODS OF ENFORCEMENT. Where a judgment requires the payment of money, or the delivery of real or personal property, it may be enforced in those respects by execution. Where it requires the performance of any other act, a certified copy of the judgment may be served upon the party against whom it is given, or the person or officer who is required thereby or by law to obey the same; and, if he refuses, he may be punished by the court as for contempt, and his obedience thereto enforced.
 [*RL s 4288*] (9417)

550.03 KINDS OF EXECUTION. There shall be two kinds of executions, one against the property of the judgment debtor, and the other for the delivery of real or personal property, or such delivery with damages for detaining, or for taking and withholding, the same.
 [*RL s 4289*] (9418)

550.04 EXECUTION, HOW ISSUED; CONTENTS. The execution shall be under the seal of the court, subscribed by the clerk, tested in the name of the district judge, directed to the sheriff, or to the coroner if the sheriff be a party or interested, and endorsed by the party applying therefor or his attorney. It shall refer intelligibly to the judgment, stating the court, the county where the judgment roll or transcript is filed, the names of the parties, the amount of the judgment, if it be for money, the amount actually due thereon, and the time of docketing in the county to which the execution is issued, and shall require the officer substantially as follows:

- (1) If it be against the property of the judgment debtor, to satisfy the judgment, with interest, out of his personal property, and, if sufficient personal property cannot be found, out of the real property belonging to him on the day when the judgment was docketed in the county, or at any time thereafter not exceeding ten years;
- (2) If real property has been attached, and judgment rendered in favor of the plaintiff in the same action, the execution thereon may also direct a sale of all the property which the defendant had in such real estate at the time it was so attached, or at any time after entry of judgment not exceeding ten years; in such case, if after the attachment the judgment creditor has paid taxes on the real property and filed with the clerk the tax receipt, it shall be attached to the judgment roll, and the execution

shall also state that it has been filed, and the date and amount thereof, and the date of filing; and, if the property be sold under the execution, the proceeds, after deducting the expenses of sale, shall be first applied to the payment of the amount so paid for taxes, with interest;

(3) If it be against real or personal property in the hands of personal representatives, heirs, devisees, legatees, trustees, or tenants of real property, it shall require the officer to satisfy the judgment, with interest, out of such property;

(4) If it be against defendants jointly indebted on a contract, a part of whom only have been summoned in the action, it shall issue in form against all; but the party causing it to be issued, or his attorney, shall endorse thereon the names of those defendants who have not been summoned, and it shall not be levied upon the sole property of any such defendant; but it may be levied upon the personal property owned by such defendant as a partner with any or all of the other defendants;

(5) If it be for delivery of the possession of real or personal property, it shall require the officer to deliver possession of the same, particularly describing it, to the party entitled thereto; and it may, at the same time, require the officer to satisfy, out of the personal property of the party against whom the judgment was rendered, any costs, charges, damages, rents, or profits recovered thereby, and the value of the property for which the judgment was recovered, to be specified therein, if a delivery thereof cannot be had; and if sufficient personal property cannot be found, then out of the real property, as provided in the first clause of this section, and in that respect it shall be deemed an execution against property.

[*RL s 4290*] (9419)

550.041 EXECUTION OF SMALL JUDGMENT DEBTS. When a judgment creditor proposes to make execution on a judgment debt of not more than \$2,500 from money owed to the judgment debtor by a third party, the execution may be made by the attorney for the judgment creditor or sheriff through a registered or certified letter to the third party containing a copy of the execution. Upon receipt, the third party shall remit as much of the amount due under section 550.04 as his own debt equals to the sheriff or attorney who shall proceed in all other respects like the sheriff making a similar execution. The attorney shall be allowed no costs from any party other than the judgment creditor for execution in accordance with this section. The attorney making such execution shall endorse thereon partial satisfaction by amount or the total satisfaction and return the original execution to the clerk of that court for filing without charge.

[*1974 c 562 s 1; 1976 c 2 s 147; 1976 c 335 s 3*]

550.05 WHEN RETURNABLE; INVENTORY. Subdivision 1. The execution shall be made returnable, within 60 days after its receipt by the officer, to the clerk with whom the judgment roll is filed; but if the officer having such execution levies upon any property before the expiration of such 60 days, he may retain the execution in his hands until he sells such property in the manner prescribed by law. Upon demand of the judgment creditor or his attorney within such 60 days, the officer shall pay to him all moneys collected upon execution in his hands, after deducting his fees. The officer shall make a full inventory of the property levied on, and return it with the execution.

Subd. 2. In case of satisfaction, either partial or in full, such officer shall make return thereof to the clerk originally issuing such writ of execution and a duplicate copy thereof to the clerk of his own county, if execution is upon judgment transcribed from another county. The clerk to whom such duplicate return is so made shall enter the record of such satisfaction upon his judgment docket and note in the margin thereof that such entry is made upon "duplicate return."

[*RL s 4291; 1945 c 107 s 1*] (9420)

550.06 EXECUTION AFTER DEATH. After the expiration of one year from the death of a party against whom judgment has been rendered, execution thereon may be issued against any property upon which such judgment was a lien at the time of his death, and may be executed in the same manner and with like effect as if he were living.

[*RL s 4292*] (9421)

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550.07 ISSUANCE OF EXECUTION. When the execution is against the property of the judgment debtor, it may be issued to the sheriff of any county where the judgment is docketed. When it requires the delivery of real or personal property, it shall be issued to the sheriff of the county where the property or some part thereof is situated. Executions may be issued at the same time to different counties.

[*RL s 4293*] (9422)

550.08 EXECUTION AGAINST PROPERTY, HOW EXECUTED. The officer shall execute the writ against the property of the judgment debtor by levying upon the same, collecting the things in action, or selling the same if the court so orders, selling the other property, except as provided in section 550.09, and paying to the judgment creditor the proceeds, or so much thereof as will satisfy the execution.

[*RL s 4294*] (9423)

550.09 LEVY ON MONEY. When coin of the United States, or bills or other evidence of debt issued by the United States or by any moneyed corporation and circulated as money, are seized upon execution, the officer shall pay and return the same as so much money collected.

[*RL s 4295*] (9424)

550.10 PROPERTY LEVIED ON, LIEN. All property, real and personal, including rights and shares in the stock of corporations, money, book accounts, credits, negotiable instruments, and other evidences of indebtedness, may be levied upon and sold on execution. Until a levy, property not subject to the lien of the judgment is not affected by the execution.

[*RL s 4296*] (9425)

550.11 LEVY ON PROPERTY SUBJECT TO JUDGMENT LIEN; RELEASE. It shall be deemed a sufficient levy upon property subject to the lien of the judgment if the officer make a minute on the execution, stating the time when it was delivered to him, and that at such time he levied upon such property, describing it. At the time of or during the progress of the execution sale, or prior thereto on the request of the judgment creditor, the officer may release such property, or so much thereof as has not been actually sold, from such levy, before full satisfaction of the judgment; and the judgment, or such part thereof as has not been actually satisfied by a payment or sale, and the lien thereof, shall not be affected by such levy and release, but shall remain in force as if no levy had been made.

[*RL s 4297*] (9426)

550.12 LEVY ON PERSONALTY. Personal property capable of manual delivery shall be levied upon by the officer taking it into custody.

[*RL s 4298*] (9427)

550.13 LEVY ON BULKY ARTICLES. When personal property, by reason of its bulk or other cause, cannot be immediately removed, it shall be a sufficient levy thereon if the officer, within three days thereafter, file in the appropriate filing office under the uniform commercial code, section 336.9-401, a certified copy of the execution, and of his return and levy thereon. The officer shall pay the filing fee and include it in his charges.

[*RL s 4299; 1923 c 420 s 1; 1965 c 812 s 23*] (9428)

550.14 LEVY ON OTHER PERSONAL PROPERTY. Other personal property shall be levied on by leaving a certified copy of the execution, and a notice specifying the property levied on, with the person holding the same; or, if a debt, with the debtor; or, if stock or an interest in stock of a corporation, with the president, secretary, treasurer, cashier, or managing agent thereof.

[*RL s 4300*] (9429)

550.141 LEVY OF EARNINGS; INDEBTEDNESS. Subdivision 1. Earnings may be levied upon in conformance with the procedures set forth in either sections 550.041 or 550.14 provided, however, the procedures set out in section 571.41, subdivision 5 are followed. Said levy shall attach all indebtedness owing by a third party to the debtor and all non-exempt disposable earnings earned or to be earned in the pay period within which the levy is served. If said levy attaches less than \$10, the third party

shall not retain said sum.

Subd. 2. On any judgment prior to the first levy on earnings in the possession of an employer, the judgment creditor shall comply with the following notice requirements:

(1) Serve upon the judgment debtor no less than ten days prior to the service of the execution, a notice that such execution may be served on the debtor's employer. Said notice may be served in the manner permitted by section 571.41 and shall be substantially in the form set out in section 571.41. Bad faith assertion or disregard of a judgment debtor's claim of exemption shall be subject to the procedures, remedies, and penalties set out in section 571.41.

(2) Serve upon the judgment debtor's employer with the execution an execution disclosure form, that shall be substantially in the form set out in section 571.495, subdivision 3.

(3) Serve by mail upon the judgment debtor not later than five days after service is made on his employer, a copy of the execution and copies of all other papers served on the debtor's employer.

(4) The notice requirement in clause (1) shall not apply to a levy on wages being held by an employer due to a garnishment served pursuant to chapter 571.

[1976 c 335 s 4]

550.142 PUBLIC EMPLOYEES; WAGES, EXECUTION LEVY. The salary or wages of any public employee or officer may be levied upon and disposed of on execution. Where the person is an officer, the writ shall be served upon the auditor, treasurer, or clerk of the subdivision or department of which he is an officer. Where the person is an employee other than an officer, the writ shall be served upon the person in charge of the office or department in which the employee works.

When payment has been made pursuant to levy, a copy of the execution with certificate of satisfaction shall be delivered to the treasurer as his voucher for such payment.

[1953 c 110 s 2; 1973 c 123 art 5 s 7; 1976 c 335 s 5]

550.15 CERTIFICATE TO BE FURNISHED OFFICER. When the officer, with a writ of attachment or an execution against the defendant, applies to any person mentioned in section 550.14 for the purpose of attaching or levying upon property mentioned therein, such person shall furnish him with a certificate showing the description and amount of the property of the judgment debtor held by such person or corporation, the number of rights or shares of such debtor in the stock of the corporation, with any dividend thereon, or the debt owing to the judgment debtor, with any encumbrance upon the property; and, on refusal so to do, such person may be required by the court to attend before it and be examined on oath concerning the same.

[RL s 4301] (9430)

550.16 LEVY ON PLEDGED OR MORTGAGED CHATTELS. When personal property is pledged or mortgaged for the payment of money or the performance of any contract or agreement, the right and interest of the pledgor or mortgagor in such property may be sold on execution against him, and the purchaser shall acquire all his right and interest therein, and be entitled to the possession of such property, on complying with the terms and conditions of the pledge or mortgage.

[1913 c 63 s 1; 1955 c 220 s 1] (9301)

550.17 LEVY ON GROWING CROPS. A levy may be made upon growing grain or grass, and upon any other unharvested crops; but no sale shall be made thereunder until the same is ripe or fit to be harvested; and any levy thereon under an execution issued by a justice of the peace or any court of record shall be continued beyond the return day thereof, if necessary, and its execution may be completed at any time within 30 days after the same is ripe or fit to be harvested.

[RL s 4303] (9432)

550.18 NOTICE OF SALE. Before the sale of property on execution notice shall be given as follows:

(1) If the sale be of personal property, by giving ten days posted notice of the time and place thereof;

(2) If the sale be of real property, on execution or on judgment, by six weeks posted and published notice of the time and place thereof, describing the property with sufficient certainty to enable a person of common understanding to identify it.

An officer who sells without such notice shall forfeit \$100 to the party aggrieved, in addition to his actual damages; and a person who before the sale or the satisfaction of the execution, and without the consent of the parties, takes down or defaces the notice posted, shall forfeit \$50; but the validity of the sale shall not be affected by either act, either as to third persons or parties to the action.

[*RL s 4304*] (9433)

550.19 SERVICE ON JUDGMENT DEBTOR. At or before the time of posting notice of sale, the officer shall serve a copy of the execution and inventory, and of such notice, upon the judgment debtor, if he be a resident of the county, in the manner required by law for the service of a summons in a civil action.

[*RL s 4305*] (9434)

550.20 SALE, WHEN AND HOW. The sale shall be by auction, between 9 o'clock a.m. and sunset, in the county where the property or some part thereof is situated. If the sale is of personal property capable of manual delivery, it shall be within view of those who attend, and shall be sold in such parcels as are likely to bring the highest price. If of real property consisting of several known parcels, the parcels shall be sold separately; and, if a portion thereof is claimed by a third person who requires it to be sold separately, it shall be so sold. No more shall be sold than is sufficient to satisfy the execution, and neither the officer nor his deputy may purchase.

[*RL s 4306*] (9435)

550.21 SALE OF CORPORATE STOCK. In case of the sale of any rights or shares in the stock of a corporation, the sheriff shall execute to the purchaser a certificate of such sale, which shall transfer to him all the rights of the judgment debtor in respect thereto.

[*RL s 4307*] (9436)

550.22 CERTIFICATE OF SALE OF REALTY. When a sale of real property is made upon execution, or pursuant to a judgment or order of a court, unless otherwise specified therein, the officer shall execute to the purchaser a certificate containing:

- (1) A description of the execution, judgment, or order;
- (2) A description of the property;
- (3) The date of the sale and the name of the purchaser;
- (4) The price paid for each parcel separately;
- (5) If subject to redemption, the time allowed by law therefor.

Such certificate shall be executed, acknowledged, and recorded in the manner provided by law for a conveyance of real property, shall be prima facie evidence of the facts therein stated, and, upon expiration of the time for redemption, shall operate as a conveyance to the purchaser of all the right, title, and interest of the person whose property is sold in and to the same, at the date of the lien upon which the same was sold.

[*RL s 4308*] (9437)

550.23 INTEREST OF PURCHASER SUBJECT TO ATTACHMENT OR JUDGMENT. The interest acquired upon any sale is subject to the lien of an attachment or judgment duly made or docketed against the person holding the same, as in case of real property, and may be attached or sold on execution in the same manner.

[*RL s 4309*] (9439)

550.24 REDEMPTION OF REALTY. Upon the sale of real property, where the estate sold is less than a leasehold of two years' unexpired term, the sale is absolute; in all other cases the property sold, or any portion thereof which has been sold separately, is subject to redemption:

- (1) By the judgment debtor, his heirs or assigns;
- (2) By a creditor having a lien, legal or equitable, on the property or some part thereof, subsequent to that on which it was sold.

Creditors shall redeem in the order of their respective liens.

[*RL s 4310*] (9440)

550.25 ORDER OF REDEMPTION. Within one year after the day of sale the judgment debtor, his heirs or assigns, may redeem by paying to the purchaser the amount for which the property was sold, with interest, and, if the purchaser be a creditor having a prior lien, the amount thereof, with interest. If no such redemption be made, the senior creditor may redeem within five days after the expiration of such year, and each subsequent creditor within five days after the time allowed all prior lienholders, by paying the aforesaid amount, and all liens prior to his own, held by the party from whom he redeems; provided, that no creditor can redeem unless within such year he file notice of his intention so to do with the clerk of the court where the judgment is entered.

[*RL s 4311*] (9441)

550.26 REDEMPTION, HOW MADE. The person desiring to redeem shall pay to the person holding the right acquired under such sale, or for him to the sheriff or the clerk of the district court of the county in which the real property is situated, the amount required by law for such redemption, and shall produce to such person or officer the same documents required by law to be produced by a person desiring to redeem from a sale of real property under foreclosure of a mortgage by advertisement; and the person redeeming shall cause such documents to be filed with the county recorder as required in the case of redemption from such foreclosure sale.

[*RL s 4312; 1976 c 181 s 2*] (9442)

550.27 CERTIFICATE OF REDEMPTION; EFFECT OF REDEMPTION. The person or officer from whom such redemption is made shall execute to the person redeeming a certificate in substantially the same form as the certificate required by law to be executed on redemption from a sale of real property under foreclosure of a mortgage by advertisement; and all the provisions of law applicable to the recording and to the effect of such certificate, and to the effect of redemption of the property sold on such foreclosure sale, by the owner, his heirs, personal representatives, or assigns, or by creditors, shall be applicable to the certificate required by this section, and to redemption made under this chapter.

[*RL s 4313*] (9443)

550.28 SALE IRREGULAR OR JUDGMENT REVERSED. If the purchaser of real property sold on execution, or his successor in interest, be evicted therefrom in consequence of irregularities in the proceedings concerning the sale, or of the reversal or discharge of the judgment, he may recover from the judgment creditor the price paid, with interest. When such recovery is had in consequence of irregularity, the judgment creditor shall thereupon be entitled, within ten years after such eviction, to a new execution on the judgment for the price paid on the sale, with interest; and for that purpose the judgment shall be deemed valid against the judgment debtor, his personal representatives, heirs, or devisees, but not against a purchaser or encumbrancer in good faith who became such before a levy on such new execution.

[*RL s 4314*] (9444)

550.29 REDEMPTION PENDING ACTION TO SET ASIDE EXECUTION SALE. When an action is brought to set aside an execution sale of land, and the time of redemption from such sale may expire before final judgment therein, any person having the right to redeem therefrom, for the purpose of saving such right, may deposit with the sheriff, before the time of redemption expires, the amount that will be necessary to redeem such premises at the date of such expiration, together with a bond in an amount and with sureties to be approved by such sheriff, conditioned to pay all interest that may accrue or be allowed on such deposit until final redemption as hereinafter provided. Such deposit and bond shall operate to extend the time of redemption for 30 days after the final determination of such action, during which time any person entitled by law to redeem may do so by paying to the sheriff the amount of such deposit with accrued interest. The deposit and bond shall be brought to the attention of the court by supplemental complaint in the action, and the judgment shall determine the validity of the execution sale, and the right of the parties to the moneys and bonds so deposited, which shall be paid and delivered by the sheriff as directed by such judgment, upon delivery to him of a certified copy thereof. The remedy herein pro-

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vided shall be in addition to other remedies now existing.

[*RL s 4315*] (9445)

550.30 CREDITOR MAY REDEEM IN CERTAIN CASES. Any creditor whose claim shall have been proved and allowed by a probate court of this state against the estate of a deceased debtor shall have the right, as a creditor of such decedent, to redeem the lands of the decedent from a sale thereof upon the foreclosure of a mortgage, or upon an execution, in the order and in the manner herein provided.

[*1929 c 195 s 1*] (9445-1)

550.31 CREDITOR TO FILE ORDER WITH COUNTY RECORDER. For the purpose of such redemption a creditor whose claim against the estate of a decedent shall have been so allowed shall file for record in the office of the county recorder of the county in which the real estate sought to be redeemed is situated, within the year of redemption, a certified copy of the order of the probate court allowing such claim, and thereupon such claim shall constitute a lien upon the unexempt real estate of the decedent sold upon foreclosure or execution. The creditor shall also within such time file a notice in the office of such county recorder briefly describing the sale of the decedent's lands, a description of the lands sold, and stating, in a general way, the nature, date and amount of the claim of the creditor, and that he intends to redeem such lands from the sale thereof described in such notice. In the case of redemption from execution sales such notice shall also be filed in the office of the clerk of the district court in which such lands are situated.

[*1929 c 195 s 2; 1976 c 181 s 2*] (9445-2)

550.32 FILING TO DETERMINE PRIORITY. In the event more than one such proved and allowed claim shall be so filed and recorded for the purposes of such redemption, then, as between the owners of such claims, their right to redeem shall be in the order in which such claims were originally filed, succession commencing with the oldest in point of time; that as to the creditors of the decedent having a lien or liens, either legal or equitable, upon the lands of a decedent and existing otherwise than by allowance in probate, the creditors of the decedent whose claims have been allowed in probate shall be subsequent or junior thereto.

[*1929 c 195 s 3*] (9445-3)

550.33 CREDITOR MAY REDEEM WHEN. If no redemption is made by the personal representative of the deceased debtor, or by the assigns of such decedent, within one year after the date of such sale, or within one year after the date of the confirmation of such sale, as the case may be, the senior creditor having a lien, legal or equitable, upon the premises sold upon the foreclosure of a mortgage or upon execution, and subsequent to the mortgage or judgment lien under or by reason of which the premises were sold, including the creditors of a deceased debtor whose claims have been perfected and recorded as herein provided, may redeem within five days after the expiration of said 12 months by payment of the amount required by law for that purpose; and each subsequent creditor having a lien in succession, according to priority of liens, within five days after the time allowed the prior lienholder, respectively, may redeem by paying the amount aforesaid and all liens prior to his own held by the person from whom redemption is made.

[*1929 c 195 s 4*] (9445-4)

550.34 PROBATE COURT TO DETERMINE AMOUNT. When any such creditor redeems from the foreclosure of a mortgage under the provisions of sections 550.30 to 550.35 the probate court shall determine the amount that shall be credited on his claim against the estate.

[*1929 c 195 s 5*] (9445-5)

550.35 REDEMPTION. Except as provided in sections 550.30 to 550.34, all such redemption shall have the force, and be governed by and subject to all of the requirements of the statutes relating to the redemption of real estate from mortgage and execution sales now or hereafter in force.

[*1929 c 195 s 6*] (9445-6)

550.36 STAY OF EXECUTION ON MONEY JUDGMENT. Execution of a judgment for the payment of money only shall be stayed for six months if, within ten days

after the entry thereof, the judgment debtor shall file with the clerk a bond, running to the judgment creditor, his personal representatives and assigns, in double the amount of the judgment, to be approved by the court, and conditioned for the payment of the judgment, with interest at the rate of eight percent per annum during the time for which the stay is granted. Within two days thereafter notice that such bond has been filed, with a copy of the same, shall be served on the judgment creditor, if he be a resident of the county, or upon his agent or attorney, if he have one, and the judgment creditor may except to the sufficiency of the bond; and, upon his application upon notice or order to show cause, the court, if it find the bond insufficient, may order execution to issue notwithstanding the same, unless the judgment debtor give such further bond as it shall deem sufficient. If the condition of any such bond be not performed, the execution shall issue for the amount of the judgment, with interest and costs, against the judgment debtor and the sureties. When an execution issues against sureties the officer shall certify in his return what amount, if any, was collected from them and the date thereof. If a stay be granted after execution issued, any levy made thereon shall be released and the execution shall be returned and the reason noted by the officer.

[*RL s 4316*] (9446)

550.37 PROPERTY EXEMPT. Subdivision 1. The property mentioned in this section is not liable to attachment, garnishment, or sale on any final process, issued from any court.

Subd. 2. The family Bible, library, and musical instruments.

Subd. 3. A seat or pew in any house or place of public worship and a lot in any burial ground.

Subd. 4. All wearing apparel, one watch, household furniture, utensils, household appliances, phonographs, radio and television receivers, and foodstuffs of the debtor and his family, not exceeding \$3,000 in value.

Subd. 5. Farm machines and implements used in farming operations by a debtor engaged principally in farming, livestock, farm produce, and standing crops, not exceeding \$5,000 in value.

Subd. 6. The tools, implements, machines, instruments, office furniture, stock in trade, and library reasonably necessary in the trade, business, or profession of the debtor, not exceeding \$5,000 in value.

Subd. 7. The total value of property selected by a debtor pursuant to subdivisions 5 and 6 shall not exceed \$5,000.

Subd. 8. The library and philosophical and chemical or other apparatus belonging to, and used for the instruction of youth in, any university, college, seminary of learning, or school which is indiscriminately open to the public.

Subd. 9. All money arising from any claim on account of the destruction of, or damage to, exempt property.

Subd. 10. All money received by, or payable to, a surviving wife or child from insurance upon the life of a deceased husband or father, not exceeding \$10,000.

Subd. 11. All money, relief, or other benefits payable or to be rendered by any police department association, fire department association, beneficiary association, or fraternal benefit association to any person entitled to assistance therefrom, or to any certificate holder thereof or beneficiary under any such certificate.

Subd. 12. A mobile home, as defined in section 168.011, subdivision 8, which is actually inhabited as a home by the debtor.

Subd. 13. All wages not subject to garnishment by the provisions of section 571.55. A subsequent attachment, garnishment or levy of execution shall impound only that pay period's non-exempt disposable earnings not subject to a prior attachment, garnishment or levy of execution, but in no instance shall more than an individual's total non-exempt disposable earnings in that pay period be subject to attachment, garnishment or levy of execution. Garnishments shall impound the non-exempt disposable earnings in the order of their service upon the employer. The disposable earnings exempt from garnishment are exempt as a matter of right, whether claimed or not by the person to whom due. Such exemptions may not be waived. Such exempt disposable earnings are payable by the employer when due. Such exempt disposable earnings shall also be exempt for 20 days after deposit in any financial institution.

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This 20 day exemption shall also apply to any contractual set-off or security interest asserted by a financial institution in which said earnings are deposited by the individual. In tracing said funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. As used in this section, the term "financial institution" shall include credit unions. Nothing in this paragraph shall be construed to void or supersede any valid assignment of wages made prior to the attachment, garnishment, or levy of execution.

Subd. 14. All relief based on need, and the wages or salary of a person who is a recipient of relief based on need, shall be exempt from all claims of creditors including any contractual set-off or security interest asserted by a financial institution. For the purposes of this chapter, relief based on need shall include AFDC, supplemental security income, medical assistance, Minnesota supplemental assistance, and general assistance. The salary or wages of any debtor who is or has been a recipient of relief based on need, or an inmate of a correctional institution shall, upon his return to private employment after having been a recipient of relief based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after his return to employment and after all public assistance has been terminated. He may take advantage of such six months salary or wage exemption provisions only once in every three years. The exemption provisions contained in this subdivision shall also apply for 60 days after deposit in any financial institution. In tracing said funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing relief and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been a recipient of relief based on need, or an inmate of a correctional institution, within such period of six months.

Subd. 15. The earnings of the minor child of any debtor or the proceeds thereof, by reason of any liability of such debtor not contracted for the special benefit of such minor child.

Subd. 16. The claim for damages recoverable by any person by reason of a levy upon or sale under execution of his exempt personal property, or by reason of the wrongful taking or detention of such property by any person, and any judgment recovered for such damages.

Subd. 17. All articles exempted by this section shall be selected by the debtor, his agent, or legal representative.

Subd. 18. The exemptions provided for in subdivisions 3 to 15 extend only to debtors who are natural persons.

Subd. 19. The exemption of the property listed in subdivisions 2, 3 and 5 to 11 may not be waived except by a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the debtor at the time of the execution of the contract surrendering the exemption, immediately adjacent to the listing of the property: "I understand that some or all of the above property is normally protected by law from the claims of creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract."

Subd. 20. The exemption of funds from creditors' claims, provided by subdivisions 9, 10, 11, and 15, shall not be affected by the subsequent deposit of said funds in a bank or any other financial institution, whether in a single or joint account, so long as said funds can be traceable to their exempt source. In tracing said funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. No bank or other financial institution shall be liable for damages for complying with process duly issued out of any court for the collection of a debt even if the funds affected by said process are subsequently determined to have been exempt.

[*RL s 4317; 1909 c 12 s 1; 1913 c 375 s 1; 1915 c 202 s 1; 1923 c 154 s 1; 1923 c 350 s 1; 1927 c 272; 1933 c 350 s 1; 1939 c 263; 1941 c 351; 1949 c 282 s 1; 1951 c 673 s 1; 1955 c 859 s 1; 1961 c 568 s 1; 1967 c 835 s 1; 1969 c 1142 s 23,24; 1976 c 335 s 6-10*] (9447)

550.38 VETERAN'S PENSION, BONUS, OR COMPENSATION. All moneys paid to any person as a veteran's pension, bonus, adjusted compensation, allotment, or other benefit by the state of Minnesota or by the United States are exempt from, and shall not be liable to, attachment, garnishment, seizure, or sale on any final pro-

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cess issued out of any court for the period of one year after receipt thereof.

[*Ex1936 c 112*] (9447-1)

550.39 EXEMPTION OF INSURANCE POLICIES. The net amount payable to any insured or to any beneficiary under any policy of accident or disability insurance or under accident or disability clauses attached to any policy of life insurance shall be exempt and free and clear from the claims of all creditors of such insured or such beneficiary and from all legal and judicial processes of execution, attachment, garnishment, or otherwise.

[*1937 c 191 s 1*] (9447-2)

550.40 [Renumbered 354.231]

550.41 LEVY ON PROPERTY IN EXCESS OF EXEMPTION. When the officer holding an execution is of the opinion that the judgment debtor has more property of the classes specified in section 550.37 than is exempt he may levy upon the whole of any one class and make an inventory thereof and cause the same to be appraised on oath by two disinterested persons. If such appraisal exceeds the amount exempt of that class, the debtor may forthwith select of such property an amount not exceeding in appraised value the amount exempt, and the balance shall be applied by the officer as in other cases. If the debtor does not make such selection, the officer may make the same. If one or more indivisible articles of such class is of greater value than the whole amount exempt of that class, the officer shall sell the same and, after paying to the debtor the amount thereof exempt, shall apply the residue in discharge of the process.

[*RL s 4318*] (9448)