

House Study Bill 71

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CHAIRPERSON SWAIM)

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

A BILL FOR

1 An Act relating to a debtor's exempt personal injury payments in
2 state court debt collection and federal bankruptcy actions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1636HC 82
5 rh/je/5

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1 1 Section 1. Section 627.6, subsection 15, Code 2007, is
1 2 amended to read as follows:
1 3 15. The debtor's interest in payments reasonably necessary
1 4 for the support of the debtor or the debtor's dependents to or
1 5 for the benefit of the debtor or the debtor's dependents,
1 6 including structured settlements, resulting from personal
1 7 injury to the debtor or the debtor's dependents or the
1 8 wrongful death of a decedent upon which the debtor or the
1 9 debtor's dependents were dependent.

1 10 EXPLANATION
1 11 This bill relates to a debtor's exempt personal injury
1 12 payments in state court debt collection and federal bankruptcy
1 13 actions.
1 14 The bill provides that a debtor's interest in payments
1 15 reasonably necessary for the support of the debtor or the
1 16 debtor's dependents and devoted to or for the benefit of the
1 17 debtor or the debtor's dependents, including structured
1 18 settlements, which result from personal injury to the debtor
1 19 or the debtor's dependents, shall be exempt from execution by
1 20 creditors in state court debt collection and federal
1 21 bankruptcy actions. Current law allows such an exemption
1 22 resulting only from the wrongful death of a decedent.
1 23 LSB 1636HC 82
1 24 rh:rj/je/5