

FILED 2 1 1972

SENATE FILE 1180

By COMMITTEE ON JUDICIARY

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

A BILL FOR

1 An Act relating to exemptions from execution and providing
2 penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. Section six hundred twenty-seven point one
2 (627.1), Code 1971, is amended by striking the section and
3 inserting in lieu thereof the following:

4 627.1 "FAMILY" DEFINED. The word "family " as used in
5 this chapter, shall mean persons related by consanguinity,
6 affinity, or adoption and living in the same household.

7 Sec. 2. Section six hundred twenty-seven point three
8 (627.3), Code 1971, is amended to read as follows:

9 627.3 FAILURE TO CLAIM EXEMPTION. Any person entitled
10 to any of the exemptions mentioned in this chapter does not
11 waive his rights thereto by failing to designate or select
12 such exempt property, or by failing to object to a levy
13 thereon, unless he fails or neglects to do so when required
14 in writing by the officer about to levy thereon or, if no
15 objection is made in writing at that time, if he fails to
16 do so within ten days thereafter in writing as provided in
17 sections 626.50 through 626.56. If no claim of exemption
18 is made within the periods set forth in this section, the
19 exemptions shall thereafter be waived.

20 Sec. 3. Section six hundred twenty-seven point four
21 (627.4), Code 1971, is amended to read as follows:

22 627.4 ABSCONDING DEBTOR. When a debtor absconds and
23 leaves his family, such property as is exempt to him under
24 this chapter shall be exempt in the hands of his ~~wife and~~
25 ~~children, or either of them~~ family members.

26 Sec. 4. Section six hundred twenty-seven point six (627.6),
27 Code 1971, is amended by striking the section and inserting
28 in lieu thereof the following:

29 627.6 GENERAL EXEMPTIONS.

30 1. Each debtor who is a resident of the state and the
31 head of a family may hold exempt from execution the following
32 property:

- 33 a. All wearing apparel, except jewelry.
- 34 b. All personal property other than wearing apparel, as
35 selected by the debtor, to a value not exceeding fifteen

1 hundred dollars in the aggregate, provided, that no money
2 or securities, evidence of indebtedness, property held for
3 commercial purposes or used in connection with any business,
4 profession or occupation of the debtor or any member of his
5 family, or anything otherwise specifically exempt under this
6 section, shall be exempt under this paragraph.

7 c. One burial space for each member of the debtor's family.

8 d. If the debtor is engaged in a business or profession
9 of any kind, other than as an employee on salary or commission
10 or a combination thereof, the proper tools, equipment,
11 instruments, books and any other items of value used in the
12 business in a sum not to exceed twenty-five hundred dollars,
13 excluding cash, accounts receivable and inventory.

14 e. One passenger automobile.

15 f. One mobile home, if occupied by the debtor in lieu
16 of a homestead.

17 2. Each debtor who is a resident of the state and an un-
18 married person may hold exempt from execution the following
19 property:

20 a. One passenger automobile, if no other member of his
21 household is claiming an automobile as exempt.

22 b. All personal property selected by the debtor, to a
23 value not exceeding five hundred dollars in the aggregate,
24 provided, that no money or securities, evidence of indebted-
25 ness, property held for commercial business or used in con-
26 nection with any business, profession or occupation of the
27 debtor shall be exempt.

28 Sec. 5. Section six hundred twenty-seven point nine
29 (627.9), Code 1971, is amended by striking the section and
30 inserting in lieu thereof the following:

31 627.9 HOMESTEAD BOUGHT WITH PENSION MONEY. The home-
32 stead of every pensioner purchased and paid for with any
33 pension money from public or private retirement or pension
34 plans or the proceeds or accumulations thereof, shall be
35 exempt as to debts of such pensioner contracted prior to the

1 purchase of the homestead.

2 Sec. 6. Section six hundred twenty-seven point eleven
3 (627.11), Code 1971, is amended to read as follows:

4 627.11 EXCEPTION UNDER DIVORCE DECREE AND DISSOLUTION
5 OF MARRIAGE. Where the party in whose favor the order, decree,
6 or judgment was rendered entered has not remarried, the
7 personal earnings of the debtor shall not be exempt from any
8 order, judgment, or decree for temporary or permanent ~~alimony~~
9 support hereafter rendered in this state, nor from any
10 installment of any such order, judgment, or decree heretofore
11 rendered within this state which, by the provisions thereof,
12 may hereafter become due.

13 Sec. 7. Section six hundred twenty-seven point thirteen
14 (627.13), Code 1971, is amended by striking the section and
15 inserting in lieu thereof the following:

16 627.13 WORKMEN'S COMPENSATION. Any compensation due or
17 that may become due an employee or dependent under the
18 provisions of chapters eighty-five (85) or eighty-five A (85A)
19 of the Code, whether in the actual possession of the recipient
20 or deposited, loaned, or invested by him shall be exempt from
21 execution, garnishment and attachment.

22 Sec. 8. Section six hundred twenty-seven point seventeen
23 (627.17), Code 1971, is amended to read as follows:

24 627.17 SENDING CLAIMS OUT OF STATE. Whoever, whether
25 as principal, agent, or attorney, with intent to deprive a
26 resident in good faith of ~~the~~ this state of the benefit of
27 the exemption laws thereof, sends a claim against such resident
28 and belonging to a resident, to another state for action,
29 or causes action to be brought on such claim in another state,
30 or assigns or transfers such claim to a nonresident of the
31 state, with intent that action thereon be brought in the
32 courts of another state, the action in either case being one
33 which might have been brought in this state, and the property
34 or debt sought to be reached by such action being such as
35 might, but for the exemptions laws of this state, have been

1 reached by action in the courts of this state, shall be guilty
2 of a misdemeanor, and ~~punished by a fine of not less than~~
3 ~~ten nor more than fifty dollars~~ shall be fined not more than
4 one hundred dollars or imprisoned not more than thirty days
5 in the county jail.

6 Sec. 9. Chapter six hundred twenty-seven (627), Code 1971,
7 as amended by chapters two hundred fifty-nine (259), section
8 eight (8), and two hundred seventy (270), section two (2),
9 Acts of the Sixty-fourth General Assembly, First Session,
10 is amended by adding the following new section:

11 "SECURED PROPERTY. None of the exemptions prescribed in
12 this chapter shall be allowed against an execution, writ of
13 replevin or writ of attachment issued or levied against
14 property claimed to be exempt if the creditor issuing the
15 execution or writ has a security interest in the property
16 or by operation of law but not including a lien arising merely
17 through the entry of a judgment against the debtor."

18 Sec. 10. Sections six hundred twenty-seven point fourteen
19 (627.14), six hundred twenty-seven point fifteen (627.15),
20 and six hundred forty-two point two (642.2), Code 1971, are
21 repealed.

22 EXPLANATION

23 This bill is a revision of the exemption statute contained
24 in Chapter 627 of the Code.

25 The existing statute is outmoded and antiquated in that
26 it gives debtors exemptions such as one musket or rifle and
27 shotgun, six stands of bees, all spinning wheels and looms,
28 two cows and two calves, fifty sheep and all the wool
29 therefrom, five hogs and all pigs under six months, and other
30 items which show the need for modernizing and updating the
31 exemption statute. Certain occupations are also preferred
32 in the existing statute because farmers, mechanics, surveyors,
33 professional engineers, architects, clergymen, lawyers,
34 physicians, dentists, teachers and professors are allowed
35 to hold their tools, instruments and books exempt while debtors

1 in other occupations are given no such exemption.

2 This bill adopts a modern approach by giving the debtor
3 certain personal property to be selected by him, subject to
4 dollar limits in value. Each debtor will be treated alike,
5 which is impossible under the existing statute. In this bill
6 the debtor who is a resident of Iowa and a head of a family
7 is allowed to hold personal effects and household goods not
8 exceeding \$1,500 in value and the tools of his occupation not
9 exceeding \$2,500 in value. The debtor is also given a burial
10 space for each member of his family, one automobile, and one
11 mobile home, if the debtor uses the mobile home as his home.
12 Another provision of the bill gives the unmarried debtor personal
13 effects and household goods not to exceed \$500 in value and
14 one automobile.

15 This bill also provides that a debtor may waive his exemption
16 by granting a security interest in the property. Other
17 provisions contained in the bill provide exemptions for a
18 homestead bought with pension money from debts incurred prior
19 to the purchase of the homestead and for amounts received as
20 workmen's compensation.

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