

FILED MAR 20 1981

Reprinted 4/3/81

SENATE FILE

480

BY COMMITTEE ON COMMERCE

(FORMERLY SSB 139 (Sec 1 & 2)

Approved 2/25/81 (p 761)

Passed Senate, Date 4-1-81 (7 1066) Passed House, Date 4-23-81 (P. 1342)

Vote: Ayes 59 Nays 8 Vote: Ayes 91 Nays 7

Approved May 11, 1981

## A BILL FOR

1 An Act relating to properties that are exempt from judicial  
2 process.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 561.16, Code 1981, is amended to read  
2 as follows:

3 561.16 EXEMPTION--DIVORCED SPOUSE. The homestead of every  
4 ~~family, whether owned by the husband or wife,~~ person is exempt  
5 from judicial sale, where there is no special declaration  
6 of statute to the contrary, and ~~such right shall continue~~  
7 ~~in favor of the party to whom it is adjudged by divorce decree~~  
8 during continued personal occupancy by such party, provided  
9 that persons who reside together as a single household unit  
10 are entitled to claim in the aggregate only one homestead  
11 to be exempt from judicial sale. For purposes of this section,  
12 "household unit" means all persons of whatever ages, whether  
13 or not related, who habitually reside together in the same  
14 household as a group.

15 Sec. 2. Chapter 627, Code 1981, is amended by adding the  
16 following new section:

17 NEW SECTION. BANKRUPTCY EXEMPTION. A debtor to whom the  
18 law of this state applies on the date of filing of a petition  
19 in bankruptcy is not entitled to elect to exempt from property  
20 of the bankruptcy estate the property that is specified in  
21 11 U.S.C. sec. 522(d) (1979). This section is enacted for  
22 the purpose set forth in 11 U.S.C. sec. 522(b)(1) (1979).

23 Sec. 3. Section 561.17, Code 1981, is repealed.

24 EXPLANATION

25 This bill amends various statutes that limit the right  
26 of a creditor to seek or enforce a judgment on a debt.

27 Section 1 relates to the exemption of a homestead from  
28 execution. The section modifies the language so that the  
29 exemption from execution applies to the homestead of any  
30 person, not just the homestead of a family. The new language,  
31 however, limits all persons habitually residing in the same  
32 household to a single exemption. Section 3 repeals section  
33 561.17, containing a definition of "family" which is no longer  
34 needed under the revised version of section 561.16.

35 Section 2 adds new language, authorized by the federal

1 Bankruptcy Reform Act, to state that Iowa law rather than  
2 federal law shall determine the types and amounts of property  
3 that a bankrupt is entitled to keep from creditors.

4 The bill would take effect July 1 following enactment.

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S-3278

1 Amend Senate File 480 as follows:

2 1. Page 1, by inserting after line 22 the  
3 following:

4 "Sec. 3. Section 627.6, Code 1981, is amended  
5 by striking the section and inserting in lieu thereof  
6 the following:

7 627.6 GENERAL EXEMPTIONS. A debtor who is a  
8 resident of this state may hold exempt from execution  
9 the following property:

10 1. All wearing apparel of the debtor and the  
11 debtor's dependents kept for actual use and the trunks  
12 or other receptacles necessary for the wearing apparel,  
13 not to exceed in value two hundred dollars in any  
14 particular item or one thousand dollars in the  
15 aggregate.

16 2. One shotgun, and either one rifle or one musket.

17 3. Private libraries, family bibles, portraits,  
18 pictures, and paintings not to exceed two hundred  
19 dollars in value for any particular item or one  
20 thousand dollars in the aggregate.

21 4. An interment space or an interest in a public  
22 or private burying ground, not exceeding one acre  
23 for any defendant.

24 5. Two cows, two calves, fifty sheep, six stands  
25 of bees, five hogs, and all pigs under six months  
26 of age, together with the feed for all exempt animals  
27 for six months.

28 6. The debtor's interest, not to exceed two hundred  
29 dollars in value in any particular item, in household  
30 furnishings, household goods, and appliances held  
31 primarily for the personal, family, or household use  
32 of the debtor or a dependent of the debtor, not to  
33 exceed in value two thousand dollars in the aggregate.

34 7. Musical instruments, not including radios,  
35 television sets, or record or tape playing machines,  
36 held primarily for the personal, family, or household  
37 use of the debtor or a dependent of the debtor.

38 8. One motor vehicle, with the debtor's interest  
39 not exceeding one thousand two hundred dollars in  
40 value.

41 9. If the debtor is engaged in any profession  
42 or occupation other than farming, the proper  
43 implements, professional books, or tools of the trade  
44 of the debtor or a dependent of the debtor, not to  
45 exceed a value of two thousand five hundred dollars  
46 for any particular item or the debtor's equity in  
47 the books, tools, or implements.

48 10. If the debtor is engaged in farming, a team  
49 consisting of not more than two horses or mules or  
50 two yoke of cattle, and the wagon or other vehicle,

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APRIL 1, 1981

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1 with the proper harness or tackle, or other necessary  
2 implements of husbandry, or a combination of these,  
3 not to exceed the value of five thousand dollars in  
4 the aggregate.

5 11. Any unmatured life insurance policy owned  
6 by the debtor, other than a credit life insurance  
7 contract.

8 12. Professionally prescribed health aids for  
9 the debtor or a dependent of the debtor."

S-3278 FILED  
MARCH 31, 1981

BY GARY L. BAUGHER  
EDGAR H. HOLDEN

*4/1/81 (p. 1066)*

S-3333

1 Amend Senate File 480 as follows:

2 1. Page 1, by inserting after line 22 the  
3 following:

4 "Sec. 3. Section 627.6, Code 1981, is amended  
5 by striking the section and inserting in lieu thereof  
6 the following:

7 627.6 GENERAL EXEMPTIONS. A debtor who is a  
8 resident of this state may hold exempt from execution  
9 the following property:

10 1. All wearing apparel of the debtor and the  
11 debtor's dependents kept for actual use and the trunks  
12 or other receptacles necessary for the wearing apparel,  
13 not to exceed in value two hundred dollars in any  
14 particular item or one thousand dollars in the  
15 aggregate.

16 2. One shotgun, and either one rifle or one musket.

17 3. Private libraries, family bibles, portraits,  
18 pictures, and paintings not to exceed two hundred  
19 dollars in value for any particular item or one  
20 thousand dollars in the aggregate.

21 4. An interment space or an interest in a public  
22 or private burying ground, not exceeding one acre  
23 for any defendant.

24 5. Two cows, two calves, fifty sheep, six stands  
25 of bees, five hogs, and all pigs under six months  
26 of age, together with the feed for all exempt animals  
27 for six months.

28 6. The debtor's interest, not to exceed two hundred  
29 dollars in value in any particular item, in household  
30 furnishings, household goods, and appliances held  
31 primarily for the personal, family, or household use  
32 of the debtor or a dependent of the debtor, not to  
33 exceed in value one thousand dollars in the aggregate.

34 7. Any unmaturred life insurance policy owned by  
35 the debtor, other than a credit life insurance  
36 contract.

37 8. Professionally prescribed health aids for the  
38 debtor or a dependent of the debtor.

39 9. The debtor's rights in:

40 a. A social security benefit, unemployment  
41 compensation, or a local public assistance benefit.

42 b. A veteran's benefit.

43 c. A disability or illness benefit.

44 d. Alimony, support, or separate maintenance,  
45 to the extent reasonably necessary for the support  
46 of the debtor and dependents of the debtor.

47 e. A payment under a pension, annuity, or similar  
48 plan or contract on account of illness, disability,  
49 death, age, or length of service, to the extent  
50 reasonably necessary for the support of the debtor

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PAGE 2

1 and any dependent of the debtor.  
2 10. Any combination of the following, not to  
3 exceed a value of five thousand dollars in the  
4 aggregate:  
5 a. Musical instruments, not including radios,  
6 television sets, or record or tape playing machines,  
7 held primarily for the personal, family, or household  
8 use of the debtor or a dependent of the debtor.  
9 b. One motor vehicle, with the debtor's interest  
10 not exceeding one thousand two hundred dollars in  
11 value.  
12 c. If the debtor is engaged in any profession  
13 or occupation other than farming, the proper  
14 implements, professional books, or tools of the trade  
15 of the debtor or a dependent of the debtor.  
16 d. If the debtor is engaged in farming, a team  
17 consisting of not more than two horses or mules or  
18 two yoke of cattle, and the wagon or other vehicle,  
19 with the proper harness or tackle, or other necessary  
20 implements of husbandry, or a combination of these.  
21 e. In the event of a bankruptcy proceeding, the  
22 debtor's interest in accrued wages and in state and  
23 federal tax refunds as of the date of filing of the  
24 petition in bankruptcy, not to exceed one thousand  
25 dollars in the aggregate. This exemption is in  
26 addition to the limitations contained in sections  
27 642.21 and 537.5105."

S-3333 FILED & ADOPTED  
APRIL 1, 1981 (p.1066)

BY ARTHUR A. SMALL, JR.  
GARY L. BAUGHER  
BOB RUSH  
EDGAR H. HOLDEN

BY COMMITTEE ON COMMERCE

(AS AMENDED AND PASSED BY THE SENATE APRIL 1, 1981)

Passed Senate, Date 4-28-81 (p. 1455) Passed House, Date 4-23-81 (p. 1342)

Vote: Ayes 44 Nays 2 Vote: Ayes 91 Nays 7

Approved May 11, 1981

### A BILL FOR

1 An Act relating to properties that are exempt from judicial  
2 process.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

#### HOUSE AMENDMENT TO SENATE FILE 480

S-3565

1 Amend Senate File 480 as amended, passed and  
2 reprinted by the Senate, as follows:

3 1. Page 1, line 3, by striking the words "--  
4 DIVORCED SPOUSE" and inserting in lieu thereof the  
5 words "--DIVORCED-SPOUSE".

6 2. Page 2, line 1, by striking the word "or",  
7 and by inserting in lieu thereof the word "and".

8 3. Page 2, line 4, by inserting after the word  
9 "bees," the words "poultry to the value of one hundred  
10 dollars,".

11 4. Page 2, line 11, by striking the word "one"  
12 and inserting in lieu thereof the word "two".

13 5. Page 3, line 10, by inserting after the period  
14 the words "This exemption is in addition to any motor  
15 vehicle held exempt under paragraph b."

16 6. Page 3, by inserting after line 16 the  
17 following:

18 "Sec. \_\_\_\_ . Section 627.18, Code 1981, is amended  
19 to read as follows:

20 627.18 PUBLIC PROPERTY. Public buildings owned  
21 by the state, or any county, city, school district,  
22 or other municipal corporation, or any other public  
23 property which is necessary and proper for carrying  
24 out the general purpose for which such corporation  
25 is organized, are exempt from execution. ~~The property~~  
26 ~~of a private citizen can in no case be levied on to~~  
27 ~~pay the debt of any such.~~

28 7. Page 3, by striking line 17 and inserting in  
29 lieu thereof the following:

30 "Sec. \_\_\_\_ . Sections 561.17, 627.1, 627.14, 627.15  
31 and 627.16, Code 1981, are repealed."

32 8. By renumbering sections.

S-3565 FILED

RECEIVED FROM THE HOUSE

APRIL 27, 1981

*Senate concurred 4/28/81 (p. 1455)*

1 Section 1. Section 561.16, Code 1981, is amended to read  
2 as follows:

3 561.16 EXEMPTION--DIVORCED SPOUSE. The homestead of every  
4 ~~family, whether owned by the husband or wife,~~ person is exempt  
5 from judicial sale, where there is no special declaration  
6 of statute to the contrary, ~~and such right shall continue~~  
7 ~~in favor of the party to whom it is adjudged by divorce decree~~  
8 ~~during continued personal occupancy by such party,~~ provided  
9 that persons who reside together as a single household unit  
10 are entitled to claim in the aggregate only one homestead  
11 to be exempt from judicial sale. For purposes of this section,  
12 "household unit" means all persons of whatever ages, whether  
13 or not related, who habitually reside together in the same  
14 household as a group.

15 Sec. 2. Chapter 627, Code 1981, is amended by adding the  
16 following new section:

17 NEW SECTION. BANKRUPTCY EXEMPTION. A debtor to whom the  
18 law of this state applies on the date of filing of a petition  
19 in bankruptcy is not entitled to elect to exempt from property  
20 of the bankruptcy estate the property that is specified in  
21 11 U.S.C. sec. 522(d) (1979). This section is enacted for  
22 the purpose set forth in 11 U.S.C. sec. 522(b)(1) (1979).

23 Sec. 3. Section 627.6, Code 1981, is amended by striking  
24 the section and inserting in lieu thereof the following:

25 627.6 GENERAL EXEMPTIONS. A debtor who is a resident  
26 of this state may hold exempt from execution the following  
27 property:

28 1. All wearing apparel of the debtor and the debtor's  
29 dependents kept for actual use and the trunks or other  
30 receptacles necessary for the wearing apparel, not to exceed  
31 in value two hundred dollars in any particular item or one  
32 thousand dollars in the aggregate.

33 2. One shotgun, and either one rifle or one musket.

34 3. Private libraries, family bibles, portraits, pictures,  
35 and paintings not to exceed two hundred dollars in value for

-1 any particular item or one thousand dollars in the aggregate.

2 4. An interment space or an interest in a public or private  
3 burving ground, not exceeding one acre for any defendant.

-4 5. Two cows, two calves, fifty sheep, six stands of bees,  
5 five hogs, and all pigs under six months of age, together  
6 with the feed for all exempt animals for six months.

7 6. The debtor's interest, not to exceed two hundred dol-  
8 lars in value in any particular item, in household furnishings,  
9 household goods, and appliances held primarily for the per-  
10 sonal, family, or household use of the debtor or a dependent  
11 of the debtor, not to exceed in value one thousand dollars  
12 in the aggregate.

13 7. Any unmaturred life insurance policy owned by the debtor,  
14 other than a credit life insurance contract.

15 8. Professionally prescribed health aids for the debtor  
16 or a dependent of the debtor.

17 9. The debtor's rights in:

18 a. A social security benefit, unemployment compensation,  
19 or a local public assistance benefit.

20 b. A veteran's benefit.

21 c. A disability or illness benefit.

22 d. Alimony, support, or separate maintenance, to the  
23 extent reasonably necessary for the support of the debtor  
24 and dependents of the debtor.

25 e. A payment under a pension, annuity, or similar plan  
26 or contract on account of illness, disability, death, age,  
27 or length of service, to the extent reasonably necessary for  
28 the support of the debtor and any dependent of the debtor.

29 10. Any combination of the following, not to exceed a  
30 value of five thousand dollars in the aggregate:

31 a. Musical instruments, not including radios, television  
32 sets, or record or tape playing machines, held primarily for  
33 the personal, family, or household use of the debtor or a  
34 dependent of the debtor.

35 b. One motor vehicle, with the debtor's interest not

1 exceeding one thousand two hundred dollars in value.

2 c. If the debtor is engaged in any profession or occupation  
3 other than farming, the proper implements, professional books,  
4 or tools of the trade of the debtor or a dependent of the  
5 debtor.

6 d. If the debtor is engaged in farming, a team consisting  
7 of not more than two horses or mules or two yoke of cattle,  
8 and the wagon or other vehicle, with the proper harness or  
9 tackle, or other necessary implements of husbandry, or a  
10 combination of these.

11 e. In the event of a bankruptcy proceeding, the debtor's  
12 interest in accrued wages and in state and federal tax refunds  
13 as of the date of filing of the petition in bankruptcy, not  
14 to exceed one thousand dollars in the aggregate. This  
15 exemption is in addition to the limitations contained in  
16 sections 642.21 and 537.5105.

17 Sec. 4. Section 561.17, Code 1981, is repealed.

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SENATE FILE 480

H-3624

- 1 Amend Senate File 480, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 35, by striking the words "two
- 4 hundred dollars in value for".
- 5 2. Page 2, line 1, by striking the words "any
- 6 particular item or".

H-3624 FILED APRIL 13, 1981 BY CONLON of Muscatine  
*Placed out of order 4/23/81 (p. 1342)*

SENATE FILE 480

H-3625

- 1 Amend Senate File 480 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 2, line 1, by striking the word "or",
- 4 and by inserting in lieu thereof the word "and".

H-3625 FILED APRIL 13, 1981 BY CONLON of Muscatine  
*Adopted 4/23/81 (p. 1342)*

Page Six  
April 10, 1981

SENATE FILE 480

H-3577

- 1 Amend Senate File 480 as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 3, by striking the words "--
- 4 DIVORCED SPOUSE" and inserting in lieu thereof the
- 5 words "--~~DIVORCED-SPOUSE~~".
- 6 2. Page 2, line 4, by inserting after the word
- 7 "bees," the words "poultry to the value of one hundred
- 8 dollars,".
- 9 3. Page 2, line 11, by striking the word "one"
- 10 and inserting in lieu thereof the word "two".
- 11 4. Page 3, line 10, by inserting after the period
- 12 the words "This exemption is in addition to any motor
- 13 vehicle held exempt under paragraph b."
- 14 5. Page 3, by inserting after line 16 the
- 15 following:
- 16 "Sec. \_\_\_\_\_. Section 627.18, Code 1981, is amended
- 17 to read as follows:
- 18 627.18 PUBLIC PROPERTY. Public buildings owned
- 19 by the state, or any county, city, school district,
- 20 or other municipal corporation, or any other public
- 21 property which is necessary and proper for carrying
- 22 out the general purpose for which such corporation
- 23 is organized, are exempt from execution. ~~The property~~
- 24 ~~of a private citizen can in no case be levied on to~~
- 25 ~~pay the debt of any such."~~
- 26 6. Page 3, by striking line 17 and inserting in
- 27 lieu thereof the following:
- 28 "Sec. \_\_\_\_\_. Sections 561.17, 627.1, 627.14, 627.15
- 29 and 627.16, Code 1981, are repealed."
- 30 7. By renumbering sections.

H-3577 FILED  
APRIL 9, 1981

BY COMMITTEE ON JUDICIARY & LAW ENFORCEMENT  
SHIMANEK, Chair

SENATE FILE 480

H-3584

- 1 Amend Senate File 480 as amended, passed and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, lines 3 and 4, by striking the words
- 4 "The homestead of every ~~family, whether owned by the~~
- 5 ~~husband or wife, person~~" and inserting in lieu thereof
- 6 the words "The portion of the homestead of every
- 7 family, whether owned by the husband or wife, person
- 8 that does not exceed thirty thousand dollars in value
- 9 in the aggregate".
- 10 2. Page 1, lines 10 and 11, by striking the words
- 11 "homestead to be exempt from judicial sale" and
- 12 inserting in lieu thereof the words "exemption under
- 13 this section".

H-3584 FILED APRIL 9, 1981

BY JOHNSON of Howard

*Look 4/23/81 (p 1341)*

SENATE FILE 480

AN ACT

RELATING TO PROPERTIES THAT ARE EXEMPT FROM JUDICIAL PROCESS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 561.16, Code 1981, is amended to read as follows:

561.16 EXEMPTION--~~DIVORCED-SPOUSE~~. The homestead of every ~~family, whether owned by the husband or wife,~~ person is exempt from judicial sale, where there is no special declaration of statute to the contrary, ~~and such right shall continue in favor of the party to whom it is adjudged by divorce decree during continued personal occupancy by such party,~~ provided that persons who reside together as a single household unit are entitled to claim in the aggregate only one homestead to be exempt from judicial sale. For purposes of this section, "household unit" means all persons of whatever ages, whether or not related, who habitually reside together in the same household as a group.

Sec. 2. Chapter 627, Code 1981, is amended by adding the following new section:

NEW SECTION. BANKRUPTCY EXEMPTION. A debtor to whom the law of this state applies on the date of filing of a petition in bankruptcy is not entitled to elect to exempt from property of the bankruptcy estate the property that is specified in 11 U.S.C. sec. 522(d) (1979). This section is enacted for the purpose set forth in 11 U.S.C. sec. 522(b)(1) (1979).

Sec. 3. Section 627.6, Code 1981, is amended by striking the section and inserting in lieu thereof the following:

627.6 GENERAL EXEMPTIONS. A debtor who is a resident of this state may hold exempt from execution the following property:

1. All wearing apparel of the debtor and the debtor's dependents kept for actual use and the trunks or other receptacles necessary for the wearing apparel, not to exceed in value two hundred dollars in any particular item or one thousand dollars in the aggregate.
2. One shotgun, and either one rifle or one musket.
3. Private libraries, family bibles, portraits, pictures, and paintings not to exceed two hundred dollars in value for any particular item and one thousand dollars in the aggregate.
4. An interment space or an interest in a public or private burying ground, not exceeding one acre for any defendant.
5. Two cows, two calves, fifty sheep, six stands of bees, poultry to the value of one hundred dollars, five hogs, and all pigs under six months of age, together with the feed for all exempt animals for six months.
6. The debtor's interest, not to exceed two hundred dollars in value in any particular item, in household furnishings, household goods, and appliances held primarily for the personal, family, or household use of the debtor or a dependent of the debtor, not to exceed in value two thousand dollars in the aggregate.
7. Any unmaturing life insurance policy owned by the debtor, other than a credit life insurance contract.
8. Professionally prescribed health aids for the debtor or a dependent of the debtor.
9. The debtor's rights in:
  - a. A social security benefit, unemployment compensation, or a local public assistance benefit.
  - b. A veteran's benefit.
  - c. A disability or illness benefit.
  - d. Alimony, support, or separate maintenance, to the extent reasonably necessary for the support of the debtor and dependents of the debtor.

e. A payment under a pension, annuity, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

10. Any combination of the following, not to exceed a value of five thousand dollars in the aggregate:

a. Musical instruments, not including radios, television sets, or record or tape playing machines, held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.

b. One motor vehicle, with the debtor's interest not exceeding one thousand two hundred dollars in value.

c. If the debtor is engaged in any profession or occupation other than farming, the proper implements, professional books, or tools of the trade of the debtor or a dependent of the debtor.

d. If the debtor is engaged in farming, a team consisting of not more than two horses or mules or two yoke of cattle, and the wagon or other vehicle, with the proper harness or tackle, or other necessary implements of husbandry, or a combination of these. This exemption is in addition to any motor vehicle held exempt under paragraph b.

e. In the event of a bankruptcy proceeding, the debtor's interest in accrued wages and in state and federal tax refunds as of the date of filing of the petition in bankruptcy, not to exceed one thousand dollars in the aggregate. This exemption is in addition to the limitations contained in sections 642.21 and 537.5105.

Sec. 4. Section 627.18, Code 1981, is amended to read as follows:

627.18 PUBLIC PROPERTY. Public buildings owned by the state, or any county, city, school district, or other municipal corporation, or any other public property which is necessary and proper for carrying out the general purpose for which

such corporation is organized, are exempt from execution. ~~The property of a private citizen can in no case be levied on to pay the debt of any such.~~

Sec. 5. Sections 561.17, 627.1, 627.14, 627.15 and 627.16, Code 1981, are repealed.

-----  
TERRY E. BRANSTAD  
President of the Senate

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DELWYN STROMER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 480, Sixty-ninth General Assembly.

-----  
LINDA HOWARTH MACKAY  
Secretary of the Senate

Approved May 11, 1981

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ROBERT D. RAY  
Governor