

FILED MAR 01 2006

SENATE FILE 2301
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3002)

Passed Senate, Date 3-14-06 Passed House, Date _____
Vote: Ayes 50 Nays 0 Vote: Ayes _____ Nays _____
Approved April 26, 2006

A BILL FOR

1 An Act relating to exemptions for certain personal property from
2 execution by creditors in state court debt collection and
3 federal bankruptcy actions.

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

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SENATE FILE 2301

S-5027

1 Amend Senate File 2301 as follows:
2 1. Page 2, by striking line 30 and inserting the
3 following: "medical expenses, past and future
4 earnings, and past and future loss of bodily
5 functions."
6 2. By renumbering as necessary.
By LARRY McKIBBEN

S-5027 FILED MARCH 7, 2006

SF 2301

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1 Section 1. Section 627.6, subsections 1, 5, 9, and 13,
2 Code 2005, are amended to read as follows:

3 ~~1. All-wearing-apparel-of-the-debtor-and-the-debtor's~~
4 ~~dependents-kept-for-actual-use-and-the-trunks-or-other~~
5 ~~receptacles-necessary-for-the-wearing-apparel, not-to-exceed~~
6 ~~in-value-one-thousand-dollars-in-the-aggregate.--In-addition,~~
7 ~~the~~ The debtor's interest in:

8 a. any Any wedding or engagement ring owned and or
9 received by the debtor or the debtor's dependents on-or-before
10 the-date-of-marriage. However, any interest acquired in one
11 or more wedding or engagement rings owned or received by the
12 debtor or the debtor's dependents after the date of marriage
13 and within two years of the date the execution is issued or an
14 exemption is claimed shall not exceed a value equal to seven
15 thousand dollars in the aggregate minus the amount claimed by
16 the debtor for any other jewelry claimed in paragraph "b".

17 b. All jewelry of the debtor and the debtor's dependents
18 owned or received by the debtor or the debtor's dependents,
19 not to exceed in value two thousand dollars in the aggregate.

20 5. The debtor's interest in all wearing apparel of the
21 debtor and the debtor's dependents kept for actual use and the
22 trunks or other receptacles necessary for the wearing apparel,
23 musical instruments, household furnishings, and household
24 goods and which include, but are not limited to, appliances,
25 radios, television sets, record or tape playing machines,
26 compact disc players, satellite dishes, cable television
27 equipment, computers, software, printers, digital video disc
28 players, video players, and cameras held primarily for the
29 personal, family, or household use of the debtor or-a
30 dependent-of-the-debtor and the debtor's dependents, not to
31 exceed in value two seven thousand dollars in the aggregate.

32 9. ~~Any-combination-of-the-following, not-to-exceed-a-value~~
33 ~~of-five-thousand-dollars-in-the-aggregate~~ The debtor's
34 interest in the following:

35 a. ~~Musical-instruments, not-including-radios, television~~

1 ~~sets, or record or tape playing machines, held primarily for~~
2 ~~the personal, family or household use of the debtor or a~~
3 ~~dependent of the debtor.~~

4 b. One motor vehicle, not to exceed in value seven
5 thousand dollars in the aggregate.

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

12 13. The debtor's interest, not to exceed one hundred
13 thousand dollars in the aggregate, in any cash on hand, bank
14 deposits, credit union share drafts, or other deposits,
15 wherever situated, or other personal property not otherwise
16 specifically provided for in this chapter.

17 Sec. 2. Section 627.6, Code 2005, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 15. The debtor's interest in the
20 following payments reasonably necessary for the support of the
21 debtor or the debtor's dependents:

22 a. Payments to or for the benefit of the debtor or the
23 debtor's dependents, including structured settlements,
24 resulting from the wrongful death of a decedent upon which the
25 debtor or the debtor's dependents were dependent.

26 b. Payments to or for the benefit of the debtor or the
27 debtor's dependents, including structured settlements,
28 resulting from bodily injuries to the debtor or the debtor's
29 dependents. Such payments shall include past and future
30 medical expenses, earnings, and loss of bodily functions.
31 Such payments shall not include payments for pain and
32 suffering, emotional distress, and punitive damages or damages
33 resulting from emotional distress, sexual harassment, or
34 employment discrimination.

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EXPLANATION

1 This bill relates to exemptions for certain personal
2 property from execution by creditors in state court debt
3 collection and federal bankruptcy actions.

4 The bill provides that any exempt wedding or engagement
5 rings owned or received by a debtor or a debtor's dependents
6 after the date of marriage and within two years of the date
7 the execution is issued or an exemption is claimed shall not
8 exceed a value of \$7,000 in the aggregate minus up to \$2,000
9 for any other jewelry claimed by the debtor.

10 The bill specifies that the debtor and the debtor's
11 dependents' interest in wearing apparel and household goods,
12 including but not limited to radios, television sets, record
13 or tape playing machines, compact disc players, satellite
14 dishes, cable television equipment, computers, software,
15 printers, digital video disc players, video players, and
16 cameras held primarily for personal, family, and household use
17 of the debtor and the debtor's dependents shall not exceed
18 \$7,000 in the aggregate. Current law separately limits the
19 wearing apparel exemption to \$1,000 and household goods
20 exemption to \$2,000.

21 The bill allows a debtor to claim an exemption on a motor
22 vehicle not to exceed a value of \$7,000 in the aggregate.
23 Current law places no limitation on such an exemption.

24 The bill increases the amount of the debtor's interest in
25 any cash on hand, bank deposits, credit union share drafts, or
26 other deposits or other personal property from \$100 to \$1,000.

27 The bill creates a new exemption relating to a debtor's
28 interest in support payments to include payments to or for the
29 benefit of the debtor or the debtor's dependents, including
30 structured settlements, resulting from the wrongful death of a
31 decedent upon which the debtor or the debtor's dependents were
32 dependent, and payments to or for the benefit of the debtor or
33 the debtor's dependents, including structured settlements,
34 resulting from bodily injuries to the debtor or the debtor's
35 dependents, including past and future medical expenses,

1 earnings, and loss of bodily functions. Such payments shall
2 not include payments for pain and suffering, emotional
3 distress, and punitive damages or damages resulting from
4 emotional distress, sexual harassment, or employment
5 discrimination.

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1 Section 1. Section 627.6, subsections 1, 5, 9, and 13,
2 Code 2005, are amended to read as follows:

3 1. ~~All-wearing-apparel-of-the-debtor-and-the-debtor's~~
4 ~~dependents-kept-for-actual-use-and-the-trunks-or-other~~
5 ~~receptacles-necessary-for-the-wearing-apparel, not-to-exceed~~
6 ~~in-value-one-thousand-dollars-in-the-aggregate.---In-addition,~~
7 ~~the~~ The debtor's interest in:

8 a. any Any wedding or engagement ring owned and or
9 received by the debtor or the debtor's dependents on-or-before
10 the-date-of-marriage. However, any interest acquired in one
11 or more wedding or engagement rings owned or received by the
12 debtor or the debtor's dependents after the date of marriage
13 and within two years of the date the execution is issued or an
14 exemption is claimed shall not exceed a value equal to seven
15 thousand dollars in the aggregate minus the amount claimed by
16 the debtor for any other jewelry claimed in paragraph "b".

17 b. All jewelry of the debtor and the debtor's dependents
18 owned or received by the debtor or the debtor's dependents,
19 not to exceed in value two thousand dollars in the aggregate.

20 5. The debtor's interest in all wearing apparel of the
21 debtor and the debtor's dependents kept for actual use and the
22 trunks or other receptacles necessary for the wearing apparel,
23 musical instruments, household furnishings, and household
24 goods and which include, but are not limited to, appliances,
25 radios, television sets, record or tape playing machines,
26 compact disc players, satellite dishes, cable television
27 equipment, computers, software, printers, digital video disc
28 players, video players, and cameras held primarily for the
29 personal, family, or household use of the debtor or-a
30 dependent-of-the-debtor and the debtor's dependents, not to
31 exceed in value two seven thousand dollars in the aggregate.

32 9. ~~Any-combination-of-the-following, not-to-exceed-a-value~~
33 ~~of-five-thousand-dollars-in-the-aggregate~~ The debtor's
34 interest in the following:

35 a. ~~Musical-instruments, not-including-radios, television~~

1 ~~sets, or record or tape playing machines, held primarily for~~
2 ~~the personal, family, or household use of the debtor or a~~
3 ~~dependent of the debtor.~~

4 b. One motor vehicle, not to exceed in value seven
5 thousand dollars in the aggregate.

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

12 13. The debtor's interest, not to exceed one hundred
13 thousand dollars in the aggregate, in any cash on hand, bank
14 deposits, credit union share drafts, or other deposits,
15 wherever situated, or other personal property not otherwise
16 specifically provided for in this chapter.

17 Sec. 2. Section 627.6, Code 2005, is amended by adding the
18 following new subsection:

19 NEW SUBSECTION. 15. The debtor's interest in the
20 following payments reasonably necessary for the support of the
21 debtor or the debtor's dependents:

22 a. Payments to or for the benefit of the debtor or the
23 debtor's dependents, including structured settlements,
24 resulting from the wrongful death of a decedent upon which the
25 debtor or the debtor's dependents were dependent.

26 b. Payments to or for the benefit of the debtor or the
27 debtor's dependents, including structured settlements,
28 resulting from bodily injuries to the debtor or the debtor's
29 dependents. Such payments shall include past and future
30 medical expenses, past and future earnings, and past and
31 future loss of bodily functions. Such payments shall not
32 include payments for pain and suffering, emotional distress,
33 and punitive damages or damages resulting from emotional
34 distress, sexual harassment, or employment discrimination.

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SENATE FILE 2301

H-8531

1 Amend Senate File 2301, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 2, line 29, by striking the words "past
4 and".

By ANDERSON of Page
SWAIM of Davis

H-8531 FILED APRIL 11, 2006

SENATE FILE 2301

H-8554

1 Amend Senate File 2301, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 2, by striking lines 19 through 34 and
4 inserting the following:
5 "NEW SUBSECTION. 15. The debtor's interest in
6 payments reasonably necessary for the support of the
7 debtor or the debtor's dependents to or for the
8 benefit of the debtor or the debtor's dependents,
9 including structured settlements, resulting from the
10 wrongful death of a decedent upon which the debtor or
11 the debtor's dependents were dependent."
12 2. By renumbering as necessary.

By ANDERSON of Page

H-8554 FILED APRIL 18, 2006
ADOPTED

**HOUSE AMENDMENT TO
SENATE FILE 2301**

S-5204

1 Amend Senate File 2301, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 2, by striking lines 19 through 34 and
4 inserting the following:
5 "NEW SUBSECTION. 15. The debtor's interest in
6 payments reasonably necessary for the support of the
7 debtor or the debtor's dependents to or for the
8 benefit of the debtor or the debtor's dependents,
9 including structured settlements, resulting from the
10 wrongful death of a decedent upon which the debtor or
11 the debtor's dependents were dependent."
12 2. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-5204 FILED APRIL 18, 2006
CONCURRED

Frause co-chair
McKibben co-chair
Warnstadt
Ward

Succeeded By
SF / HF 2301

SSB# 300Z
Judiciary

SENATE FILE _____

BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY
CO-CHAIRPERSONS KREIMAN
AND MILLER)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to exemptions for certain personal property from
2 execution by creditors in state court debt collection and
3 federal bankruptcy actions.

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

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TLSB 5205SC 81

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1 Section 1. Section 627.6, subsections 1, 5, 9, and 13,
2 Code 2005, are amended to read as follows:

3 ~~1. All-wearing-apparel-of-the-debtor-and-the-debtor's~~
4 ~~dependents-kept-for-actual-use-and-the-trunks-or-other~~
5 ~~receptacles-necessary-for-the-wearing-apparel, not-to-exceed~~
6 ~~in-value-one-thousand-dollars-in-the-aggregate.--In-addition,~~
7 ~~the~~ The debtor's interest in:

8 a. any Any wedding or engagement ring owned and or
9 received by the debtor or the debtor's dependents on or before
10 the date of marriage. In addition, any interest in one or
11 more wedding or engagement rings owned or received by the
12 debtor and the debtor's dependents after the date of marriage
13 but within two years of the date of execution is issued or an
14 exemption is claimed, not to exceed a value equal to seven
15 thousand dollars in the aggregate minus the amount claimed by
16 the debtor and the debtor's dependents for any other jewelry
17 claimed in paragraph "b".

18 b. All jewelry of the debtor and the debtor's dependents
19 owned or received by the debtor and the debtor's dependents,
20 not to exceed in value two thousand dollars in the aggregate.

21 5. The debtor's interest in all wearing apparel of the
22 debtor and the debtor's dependents kept for actual use and the
23 trunks or other receptacles necessary for the wearing apparel,
24 musical instruments, household furnishings, and household
25 goods and which include, but are not limited to, appliances,
26 radios, television sets, record or tape playing machines,
27 compact disc players, satellite dishes, cable television
28 equipment, computers, software, printers, digital video disc
29 players, video players, and cameras held primarily for the
30 personal, family, or household use of the debtor or-a
31 dependent-of-the-debtor and the debtor's dependents, not to
32 exceed in value two seven thousand dollars in the aggregate.

33 9. Any-combination-of-the-following, not-to-exceed-a-value
34 of-five-thousand-dollars-in-the-aggregate The debtor's
35 interest in the following:

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

5 b. One motor vehicle, not to exceed in value five thousand
6 dollars in the aggregate.

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

13 13. The debtor's interest, not to exceed one hundred
14 thousand dollars in the aggregate, in any cash on hand, bank
15 deposits, credit union share drafts, or other deposits,
16 wherever situated, or other personal property not otherwise
17 specifically provided for in this chapter.

18 Sec. 2. Section 627.6, Code 2005, is amended by adding the
19 following new subsection:

20 NEW SUBSECTION. 15. The debtor's interest in the
21 following payments reasonably necessary for the support of the
22 debtor or the debtor's dependents:

23 a. Payments to or for the benefit of the debtor or the
24 debtor's dependents resulting from the wrongful death of a
25 decedent upon which the debtor or the debtor's dependents were
26 dependent.

27 b. Payments compensating the debtor or the debtor's
28 dependents for injuries to the debtor or the debtor's
29 dependents. Such payments shall not include payments for pain
30 and suffering, compensation of actual pecuniary loss, lost
31 wages, psychological or emotional distress, sexual harassment,
32 and employment discrimination.

33 EXPLANATION

34 This bill relates to exemptions for certain personal
35 property from execution by creditors in state court debt

1 collection and federal bankruptcy actions.

2 The bill provides that any exempt wedding or engagement
3 rings owned or received by a debtor and a debtor's dependents
4 after marriage but within two years of the date execution is
5 issued by a creditor or an exemption is claimed by the debtor
6 and the debtor's dependents shall not exceed a value of \$7,000
7 in the aggregate minus up to \$2,000 for any other jewelry
8 claimed by the debtor and the debtor's dependents. The
9 current unlimited exemption for any wedding or engagement ring
10 owned or received by a debtor and a debtor's dependents prior
11 to or on the date of marriage remains intact.

12 The bill specifies that the debtor and the debtor's
13 dependents' interest in wearing apparel and household goods,
14 including but not limited to radios, television sets, record
15 or tape playing machines, compact disc players, satellite
16 dishes, cable television equipment, computers, software,
17 printers, digital video disc players, video players, and
18 cameras held primarily for personal, family, and household use
19 of the debtor and the debtor's dependents shall not exceed
20 \$7,000 in the aggregate. Current law separately limits the
21 wearing apparel exemption to \$1,000 and household goods
22 exemption to \$2,000.

23 The bill allows a debtor to claim an exemption on a motor
24 vehicle not to exceed a value of \$5,000 in the aggregate.
25 Current law places no limitation on such an exemption.

26 The bill increases the amount of the debtor's interest in
27 any cash on hand, bank deposits, credit union share drafts, or
28 other deposits or other personal property from \$100 to \$1,000.

29 The bill creates a new exemption relating to a debtor's
30 interest in support payments to include payments to or for the
31 benefit of the debtor and the debtor's dependents resulting
32 from the wrongful death of a decedent upon which the debtor
33 and the debtor's dependents were dependent and payments
34 compensating the debtor and the debtor's dependents for
35 injuries to the debtor and the debtor's dependents, other than

1 for pain and suffering, compensation of actual pecuniary loss,
2 lost wages, psychological or emotional distress, sexual
3 harassment, and employment discrimination.

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SENATE FILE 2301

AN ACT

RELATING TO EXEMPTIONS FOR CERTAIN PERSONAL PROPERTY FROM EXECUTION BY CREDITORS IN STATE COURT DEBT COLLECTION AND FEDERAL BANKRUPTCY ACTIONS.

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

Section 1. Section 627.6, subsections 1, 5, 9, and 13, Code 2005, are amended to read as follows:

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 one thousand dollars in the aggregate. In addition, the~~ The debtor's interest in:

a. ~~any~~ Any wedding or engagement ring owned and or received by the debtor or the debtor's dependents ~~on or before the date of marriage. However, any interest acquired in one or more wedding or engagement rings owned or received by the debtor or the debtor's dependents after the date of marriage and within two years of the date the execution is issued or an exemption is claimed shall not exceed a value equal to seven thousand dollars in the aggregate minus the amount claimed by the debtor for any other jewelry claimed in paragraph "b".~~

b. All jewelry of the debtor and the debtor's dependents owned or received by the debtor or the debtor's dependents, not to exceed in value two thousand dollars in the aggregate.

5. The debtor's interest in 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, musical instruments, household furnishings, and household goods and which include, but are not limited to, appliances, radios, television sets, record or tape playing machines, compact disc players, satellite dishes, cable television equipment, computers, software, printers, digital video disc players, video players, and cameras held primarily for the personal, family, or household use of the debtor or a dependent of the debtor and the debtor's dependents, not to exceed in value two seven thousand dollars in the aggregate.

9. ~~Any combination of the following, not to exceed a value of five thousand dollars in the aggregate~~ The debtor's interest in the following:

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, not to exceed in value seven thousand dollars in the aggregate.

c. 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.

13. The debtor's interest, not to exceed one hundred thousand dollars in the aggregate, in any cash on hand, bank deposits, credit union share drafts, or other deposits, wherever situated, or other personal property not otherwise specifically provided for in this chapter.

Sec. 2. Section 627.6, Code 2005, is amended by adding the following new subsection:

NEW SUBSECTION. 15. The debtor's interest in payments reasonably necessary for the support of the debtor or the debtor's dependents to or for the benefit of the debtor or the

debtor's dependents, including structured settlements,
resulting from the wrongful death of a decedent upon which the
debtor or the debtor's dependents were dependent.

JEFFREY M. LAMBERTI
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 2301, Eighty-first General Assembly.

MICHAEL E. MARSHALL
Secretary of the Senate

Approved _____, 2006

THOMAS J. VILSACK
Governor