

SECOND REGULAR SESSION

HOUSE BILL NO. 1657

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ROBERTS.

3829H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 513.430, 513.475, 513.480, and 513.525, RSMo, and to enact in lieu thereof four new sections relating to exemptions from attachment and execution.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 513.430, 513.475, 513.480, and 513.525, RSMo, are repealed
2 and four new sections enacted in lieu thereof, to be known as sections 513.430, 513.475,
3 513.480, and 513.525, to read as follows:

513.430. [~~1-~~] The following property shall be exempt from attachment and execution
2 to the extent of any person's interest therein:

3 (1) Household furnishings, household goods, wearing apparel, appliances, books,
4 animals, crops or musical instruments that are held primarily for personal, family or
5 household use of such person or a dependent of such person, not to exceed three thousand
6 dollars in value in the aggregate;

7 (2) A wedding ring not to exceed one thousand five hundred dollars in value and other
8 jewelry held primarily for the personal, family, or household use of such person or a
9 dependent of such person, not to exceed [~~five hundred~~] **two thousand** dollars in value in the
10 aggregate;

11 (3) Any other property of any kind, not to exceed in value [~~six hundred~~] **ten**
12 **thousand** dollars in the aggregate;

13 (4) Any implements or professional books or tools of the trade of such person or the
14 trade of a dependent of such person not to exceed three thousand dollars in value in the
15 aggregate;

EXPLANATION — Matter enclosed in bold-faced brackets [~~thus~~] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 (5) Any motor vehicles, not to exceed ~~[three]~~ **forty** thousand dollars in value in the
17 aggregate;

18 (6) Any mobile home used as the principal residence but not attached to real property
19 in which the debtor has a fee interest, not to exceed five thousand dollars in value;

20 (7) Any one or more unmaturred life insurance contracts owned by such person, other
21 than a credit life insurance contract, and up to ~~[fifteen]~~ **thirty** thousand dollars of any matured
22 life insurance proceeds for actual funeral, cremation, or burial expenses where the deceased is
23 the spouse, child, or parent of the beneficiary;

24 (8) The amount of any accrued dividend or interest under, or loan value of, any one or
25 more unmaturred life insurance contracts owned by such person under which the insured is
26 such person or an individual of whom such person is a dependent; provided, however, that if
27 proceedings under Title 11 of the United States Code are commenced by or against such
28 person, the amount exempt in such proceedings shall not exceed in value ~~[one]~~ **three** hundred
29 fifty thousand dollars in the aggregate less any amount of property of such person transferred
30 by the life insurance company or fraternal benefit society to itself in good faith if such transfer
31 is to pay a premium or to carry out a nonforfeiture insurance option and is required to be so
32 transferred automatically under a life insurance contract with such company or society that
33 was entered into before commencement of such proceedings~~[- No amount of any accrued~~
34 ~~dividend or interest under, or loan value of, any such life insurance contracts shall be exempt~~
35 ~~from any claim for child support. Notwithstanding anything to the contrary, no such amount~~
36 ~~shall be exempt in such proceedings under any such insurance contract which was purchased~~
37 ~~by such person within one year prior to the commencement of such proceedings];~~

38 (9) Professionally prescribed health aids for such person or a dependent of such
39 person;

40 (10) Such person's right to receive:

41 (a) A Social Security benefit, unemployment compensation or a public assistance
42 benefit;

43 (b) A veteran's benefit;

44 (c) A disability, illness or unemployment benefit;

45 (d) Alimony, support or separate maintenance, not to exceed seven hundred fifty
46 dollars a month;

47 (e) ~~[a:]~~ Any payment under a stock bonus plan, pension plan, disability or death
48 benefit plan, profit-sharing plan, nonpublic retirement plan or any plan described, defined, or
49 established pursuant to section 456.014, the person's right to a participant account in any
50 deferred compensation program offered by the state of Missouri or any of its political
51 subdivisions, or annuity or similar plan or contract on account of illness, disability, death, age

52 or length of service, to the extent reasonably necessary for the support of such person and any
53 dependent of such person unless:

54 ~~[(i)]~~ a. Such plan or contract was established by or under the auspices of an insider
55 that employed such person at the time such person's rights under such plan or contract arose;

56 ~~[(ii)]~~ b. Such payment is on account of age or length of service; and

57 ~~[(iii)]~~ c. Such plan or contract does not qualify under Section 401(a), 403(a), 403(b),
58 408, 408A or 409 of the Internal Revenue Code of 1986, as amended, (26 U.S.C. Section 401
59 (a), 403(a), 403(b), 408, 408A or 409)[-

60 b. ~~Notwithstanding the exemption provided in subparagraph a. of this paragraph, any~~
61 ~~such payment to any person shall be subject to attachment or execution pursuant to a qualified~~
62 ~~domestic relations order, as defined by Section 414(p) of the Internal Revenue Code of 1986~~
63 ~~(26 U.S.C. Section 414(p)), as amended, issued by a court in any proceeding for dissolution~~
64 ~~of marriage or legal separation or a proceeding for disposition of property following~~
65 ~~dissolution of marriage by a court which lacked personal jurisdiction over the absent spouse~~
66 ~~or lacked jurisdiction to dispose of marital property at the time of the original judgment of~~
67 ~~dissolution];~~

68 (f) Any money or assets, payable to a participant or beneficiary from, or any interest
69 of any participant or beneficiary in, a retirement plan, profit-sharing plan, health savings plan,
70 or similar plan, including an inherited account or plan, that is qualified under Section 401(a),
71 403(a), 403(b), 408, 408A or 409 of the Internal Revenue Code of 1986 (26 U.S.C. Section
72 401(a), 403(a), 403(b), 408, 408A, or 409), as amended, whether such participant's or
73 beneficiary's interest arises by inheritance, designation, appointment, or otherwise, except as
74 provided in this paragraph. ~~[Any plan or arrangement described in this paragraph shall not be~~
75 ~~exempt from the claim of an alternate payee under a qualified domestic relations order;~~
76 ~~however, the interest of any and all alternate payees under a qualified domestic relations order~~
77 ~~shall be exempt from any and all claims of any creditor, other than the state of Missouri~~
78 ~~through its department of social services. As used in this paragraph, the terms "alternate~~
79 ~~payee" and "qualified domestic relations order" have the meaning given to them in Section~~
80 ~~414(p) of the Internal Revenue Code of 1986 (26 U.S.C. Section 414(p)), as amended.] If~~
81 proceedings under Title 11 of the United States Code are commenced by or against such
82 person, no amount of funds shall be exempt in such proceedings under any such plan,
83 contract, or trust which is fraudulent as defined in subsection 2 of section 428.024 and for the
84 period such person participated within three years prior to the commencement of such
85 proceedings. For the purposes of this section, when the fraudulently conveyed funds are
86 recovered and after, such funds shall be deducted and then treated as though the funds had
87 never been contributed to the plan, contract, or trust;

88 (11) The debtor's right to receive, or property that is traceable to, a payment on
 89 account of the wrongful death of an individual of whom the debtor was a dependent, to the
 90 extent reasonably necessary for the support of the debtor and any dependent of the debtor;

91 (12) Firearms, firearm accessories, and ammunition, not to exceed ~~[one]~~ **five**
 92 thousand five hundred dollars in value in the aggregate;

93 (13) Any moneys accruing to and deposited in individual savings accounts or
 94 individual deposit accounts under sections 166.400 to 166.456 or sections 166.500 to
 95 166.529, subject to the following provisions:

96 (a) This subdivision shall apply to any proceeding that:

97 a. Is filed on or after January 1, 2022; or

98 b. Was filed before January 1, 2022, and is pending or on appeal after January 1,
 99 2022;

100 (b) Except as provided by paragraph (c) of this subdivision, if the designated
 101 beneficiary of an individual savings account or individual deposit account established under
 102 sections 166.400 to 166.456 or sections 166.500 to 166.529 is a lineal descendant of the
 103 account owner, all moneys in the account shall be exempt from any claims of creditors of the
 104 account owner or designated beneficiary[;

105 ~~(c) The provisions of paragraph (b) of this subdivision shall not apply to:~~

106 ~~a. Claims of any creditor of an account owner as to amounts contributed within a two-~~
 107 ~~year period preceding the date of the filing of a bankruptcy petition under 11 U.S.C. Section~~
 108 ~~401 et seq., as amended; or~~

109 ~~b. Claims of any creditor of an account owner as to amounts contributed within a one-~~
 110 ~~year period preceding an execution on judgment for such claims against the account owner].~~

111 ~~[2. Nothing in this section shall be interpreted to exempt from attachment or~~
 112 ~~execution for a valid judicial or administrative order for the payment of child support or~~
 113 ~~maintenance any money or assets, payable to a participant or beneficiary from, or any interest~~
 114 ~~of any participant or beneficiary in, a retirement plan which is qualified pursuant to Sections~~
 115 ~~408 and 408A of the Internal Revenue Code of 1986 (26 U.S.C. Sections 408 and 408A), as~~
 116 ~~amended.]~~

513.475. 1. The homestead of every person, consisting of a dwelling house and
 2 appurtenances, and the land used in connection therewith, ~~[not exceeding the value of fifteen~~
 3 ~~thousand dollars]~~ **in an unlimited amount, subject to applicable federal bankruptcy law,**
 4 which is or shall be used by such person as a homestead, shall, together with the rents, issues
 5 and products thereof, be exempt from attachment and execution. ~~[The exemption allowed~~
 6 ~~under]~~ This section shall not be ~~[allowed for more than one owner of any homestead if one~~
 7 ~~owner claims the entire amount allowed under this subsection; but, if more than one owner of~~
 8 ~~any homestead claims an exemption under this section, the exemption allowed to each of such~~

9 ~~owners shall not exceed, in the aggregate, the total exemption allowed under this subsection~~
10 ~~as to any one homestead]~~**interpreted to allow the enforcement of a mortgage validly**
11 **executed by the individual or by a married couple; however, nothing in this section shall**
12 **be construed as to prevent an individual from encumbering his or her real property for**
13 **purposes of utilizing such real property as collateral for a loan. The mortgage holder**
14 **shall retain all rights to the collection of moneys owed as allowed under contract for**
15 **deed.**

16 2. Either spouse separately shall be debarred from and incapable of selling,
17 mortgaging or alienating the homestead in any manner whatever, and every such sale,
18 mortgage or alienation is hereby declared null and void; provided, however, that nothing
19 herein contained shall be so construed as to prevent the husband and wife from jointly
20 conveying, mortgaging, alienating or in any other manner disposing of such homestead, or
21 any part thereof.

513.480. Whenever an execution shall be levied upon the real estate of any person, of
2 which such homestead may be a part, ~~[or upon such part of any homestead as may be in~~
3 ~~excess of the limitation of the value thereof created in section 513.475;]~~ such person shall
4 have the right to designate and choose the part thereof to which the exemption created in
5 section 513.475 shall apply ~~[, not exceeding the limited value]~~; and upon such designation and
6 choice, or in case of a refusal to designate or choose, the sheriff levying the execution shall
7 appoint three disinterested appraisers, who shall, first being sworn to a faithful discharge of
8 their duties, fix the location and boundaries of such homestead, and the sheriff shall then
9 proceed with the levy of such execution upon the residue of such real estate as in other cases;
10 and such proceedings in respect to the homestead shall be stated in the return upon such
11 execution.

513.525. Whenever any dwelling house, outbuilding, and the land in connection
2 therewith, in which a homestead shall exist, ~~[shall exceed the respective value mentioned in~~
3 ~~section 513.475;]~~ and a severance of such homestead would greatly depreciate the value of
4 the residue of the premises, or be of great inconvenience to the parties interested either in
5 such residue or in such homestead, either party may apply to the circuit court by petition,
6 setting forth the facts, for relief; and upon the hearing of such petition, if it shall appear that
7 such homestead cannot be occupied in severalty without great inconvenience to the parties
8 interested in such homestead or in such residue, the court may order such homestead to be
9 transferred to such other parties, and the payment of the value of the homestead interest to the
10 owner thereof; or, at the option of such owner, may order such other parties to transfer such
11 residue to him, and order him thereupon to pay such other parties the value thereof, to be
12 fixed by the court; or, if the case require it, the court may order a sale of the whole premises,

13 and apportion the proceeds between the parties; and such court may make all such orders in
14 the premises as shall be equitable and needful.

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