

Act No. 5  
Public Acts of 1989  
Approved by the Governor  
April 19, 1989  
Filed with the Secretary of State  
April 19, 1989

**STATE OF MICHIGAN  
85TH LEGISLATURE  
REGULAR SESSION OF 1989**

Introduced by Reps. Griffin, Richard A. Young, Niederstadt, Varga, Gilmer, Johnson, Mathieu, Wartner, Jaye, Hickner, Sofio, Power and Ostling  
Reps. Alley, Bandstra, Bankes, Barns, Bartnik, Berman, Bryant, Crandall, DeBeaussaert, DeMars, Dunaskiss, Dutko, Fitzgerald, Gagliardi, Giese, Gire, Gnodtke, Gubow, Harrison, Hart, Hillegonds, Hoekman, Hoffman, Honigman, Hood, Hunter, Jacobetti, Jonker, Kilpatrick, Kosteva, Krause, Law, Leland, Maynard, Middaugh, Murphy, Muxlow, O'Connor, Palamara, Porreca, Randall, Rocca, Runco, Saunders, Scott, Spaniola, Sparks, Stacey, Stopezynski, Strand, Trim, Van Singel, Walberg, Watkins and Weeks were named co-sponsors

## **ENROLLED HOUSE BILL No. 4010**

AN ACT to amend section 6023 of Act No. 236 of the Public Acts of 1961, entitled as amended "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with, or contravening any of the provisions of this act," as amended by Act No. 83 of the Public Acts of 1984, being section 600.6023 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Section 6023 of Act No. 236 of the Public Acts of 1961, as amended by Act No. 83 of the Public Acts of 1984, being section 600.6023 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 6023. (1) The following property of the debtor and the debtor's dependents shall be exempt from levy and sale under any execution:

(a) All family pictures, all arms and accouterments required by law to be kept by any person, all wearing apparel of every person or family, and provisions and fuel for comfortable subsistence of each householder and his or her family for 6 months.

(b) All household goods, furniture, utensils, books, and appliances, not exceeding in value \$1,000.00.

(c) A seat, pew, or slip occupied by the judgment debtor or the judgment debtor's family in any house or place of public worship, and all cemeteries, tombs, and rights of burial while in use as repositories of the dead of the judgment debtor's family or kept for burial of the judgment debtor.

(d) To each householder, 10 sheep, 2 cows, 5 swine, 100 hens, 5 roosters, and a sufficient quantity of hay and grain, growing or otherwise, for properly keeping such animals and poultry for 6 months.

(e) The tools, implements, materials, stock, apparatus, team, vehicle, motor vehicle, horses, harness, or other things to enable a person to carry on the profession, trade, occupation, or business in which the person is principally engaged, not exceeding in value \$1,000.00.

(f) Any money or other benefits paid, provided, or allowed to be paid, provided, or allowed, by any stock or mutual life or health or casualty insurance company, on account of the disability due to injury or sickness of any insured person, whether the debt or liability of such insured person or beneficiary was incurred before or after the accrual of benefits under the insurance policy or contract, except that the exemption does not apply to actions to recover for necessities contracted for after the accrual of the benefits.

(g) The shares held by any member, being a householder, of any association incorporated under the provisions of the savings and loan act of 1980, Act No. 307 of the Public Acts of 1980, being sections 491.102 to 491.1202 of the Michigan Compiled Laws, to the amount of \$1,000.00 in such shares, at par value, except that this exemption does not apply to any person who has a homestead exempted under the general laws of this state.

(h) A homestead of not exceeding 40 acres of land and the dwelling house and appurtenances on that homestead, and not included in any recorded plat, city, or village, or, instead, and at the option of the owner, a quantity of land not exceeding in amount 1 lot, being within a recorded town plat, city, or village, and the dwelling house and appurtenances on that land, owned and occupied by any resident of this state, not exceeding in value \$3,500.00. This exemption extends to any person owning and occupying any house on land not his or her own and which the person claims as a homestead. However, this exemption does not apply to any mortgage on the homestead, lawfully obtained, except that the mortgage is not valid without the signature of a married judgment debtor's spouse unless either of the following occurs:

(i) The mortgage is given to secure the payment of the purchase money or a portion of the purchase money.

(ii) The mortgage is recorded in the office of the register of deeds of the county in which the property is located, for a period of 25 years, and no notice of a claim of invalidity is filed in that office during the 25 years following the recording of the mortgage.

(i) An equity of redemption as described in section 6060.

(j) The homestead of a family, after the death of the owner of the homestead, from the payment of his or her debts in all cases during the minority of his or her children.

(k) An individual retirement account or individual retirement annuity as defined in section 408 of the internal revenue code and the payments or distributions from such an account or annuity. This exemption applies to the operation of the federal bankruptcy code as permitted by section 522(b)(2) of title 11 of the United States code, 11 U.S.C. 522. This exemption does not apply to any amounts contributed to an individual retirement account or individual retirement annuity if the contribution occurs within 120 days before the debtor files for bankruptcy. This exemption does not apply to an individual retirement account or individual retirement annuity to the extent that any of the following occur:

(i) The individual retirement account or individual retirement annuity is subject to an order of a court pursuant to a judgment of divorce or separate maintenance.

(ii) The individual retirement account or individual retirement annuity is subject to an order of a court concerning child support.

(iii) Contributions to the individual retirement account or premiums on the individual retirement annuity, including the earnings or benefits from those contributions or premiums, exceed, in the tax year made or paid, the deductible amount allowed under section 408 of the internal revenue code. This limitation on contributions shall not apply to a rollover of a pension, profit-sharing, stock bonus plan or other plan that is qualified under section 401 of the internal revenue code, or an annuity contract under section 403(b) of the internal revenue code.

(l) The right or interest of a person in a pension, profit-sharing, stock bonus, or other plan that is qualified under section 401 of the internal revenue code, or an annuity contract under section 403(b) of the internal revenue code, which plan or annuity is subject to the employee retirement income security act of 1974, Public Law 93-406, 88 Stat. 829. This exemption applies to the operation of the federal bankruptcy code, as permitted by section 522(b)(2) of title 11 of the United States code, 11 U.S.C. 522. This exemption does not apply to any amount contributed to a pension, profit-sharing, stock bonus, or other qualified plan or a 403(b) annuity if the contribution occurs within 120 days before the debtor files for bankruptcy. This exemption does not apply to the right or interest of a person in a pension, profit-sharing, stock bonus, or other qualified plan or a 403(b) annuity to the extent that the right or interest in the plan or annuity is subject to any of the following:

(i) An order of a court pursuant to a judgment of divorce or separate maintenance.

(ii) An order of a court concerning child support.

(2) The exemptions provided in this section shall not extend to any lien thereon excluded from exemption by law.

(3) If the owner of a homestead dies, leaving a surviving spouse but no children, the homestead shall be exempt, and the rents and profits of the homestead shall accrue to the benefit of the surviving spouse before his or her remarriage, unless the surviving spouse is the owner of a homestead in his or her own right.