

HOUSE BILL No. 5457

February 8, 1990, Introduced by Reps. Hollister and Ostling
and referred to the Committee on Judiciary.

A bill to amend section 6023 of Act No. 236 of the Public
Acts of 1961, entitled as amended
"Revised judicature act of 1961,"
as amended by Act No. 5 of the Public Acts of 1989, being section
600.6023 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 6023 of Act No. 236 of the Public Acts
2 of 1961, as amended by Act No. 5 of the Public Acts of 1989,
3 being section 600.6023 of the Michigan Compiled Laws, is amended
4 to read as follows:

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

8 (a) All family pictures, all arms and accouterments required
9 by law to be kept by any person, all wearing apparel of every

1 person or family, and provisions and fuel for comfortable
2 subsistence of each householder and his or her family for 6
3 months.

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

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

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

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

20 (f) ~~Any money~~ MONEY or other benefits paid, provided, or
21 allowed to be paid, provided, or allowed, by any stock or mutual
22 life or health or casualty insurance company, on account of the
23 disability due to injury or sickness of ~~any~~ AN insured person,
24 whether the debt or liability of such insured person or benefi-
25 ciary was incurred before or after the accrual of benefits under
26 the insurance policy or contract, except that the exemption does

1 not apply to actions to recover for necessities contracted for
2 after the accrual of the benefits.

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

10 (h) A homestead of ~~not exceeding~~ NO MORE THAN 40 acres of
11 land and the dwelling house and appurtenances on that homestead,
12 and not included in any recorded plat, city, or village, or,
13 instead, and at the option of the owner, a quantity of land not
14 exceeding in amount 1 lot, being within a recorded town plat,
15 city, or village, and the dwelling house and appurtenances on
16 that land, owned and occupied by ~~any~~ A resident of this state,
17 not exceeding in value \$3,500.00. This exemption extends to
18 ~~any~~ A person owning and occupying ~~any~~ A house on land not his
19 or her own and which the person claims as a homestead. ~~However,~~
20 ~~this~~ THIS exemption does not apply to any mortgage on the home-
21 stead, lawfully obtained, except that the mortgage is not valid
22 without the signature of a married judgment debtor's spouse
23 unless either of the following occurs:

24 (i) The mortgage is given to secure the payment of the pur-
25 chase money or a portion of the purchase money.

26 (ii) The mortgage is recorded in the office of the register
27 of deeds of the county in which the property is located, for a

1 period of 25 years, and no notice of a claim of invalidity is
2 filed in that office during the 25 years following the recording
3 of the mortgage.

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

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

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

20 (i) The individual retirement account or individual retire-
21 ment annuity is subject to an order of a court pursuant to a
22 judgment of divorce or separate maintenance.

23 (ii) The individual retirement account or individual retire-
24 ment annuity is subject to an order of a court concerning child
25 support.

26 (iii) Contributions to the individual retirement account or
27 premiums on the individual retirement annuity, including the

1 earnings or benefits from those contributions or premiums,
2 exceed, in the tax year made or paid, the deductible amount
3 allowed under section 408 of the internal revenue code. This
4 limitation on contributions shall not apply to a rollover of a
5 pension, profit-sharing, stock bonus plan or other plan that is
6 qualified under section 401 of the internal revenue code, or an
7 annuity contract under section 403(b) of the internal revenue
8 code.

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

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

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

2 (M) AID, RELIEF, OR ASSISTANCE GIVEN UNDER THE SOCIAL WEL-
3 FARE ACT, ACT NO. 280 OF THE PUBLIC ACTS OF 1939, BEING SECTIONS
4 400.1 TO 400.121 OF THE MICHIGAN COMPILED LAWS.

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

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