

HOUSE BILL NO. 834

2/15 Introduced
2/15 Referred to Judiciary
2/20 Hearing
2/23 Committee Report-Bill Pass As Amended
2/23 Rereferred to Judiciary
Died in Committee

1 HOUSE BILL NO. 834
2 INTRODUCED BY Bryne

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE LAW
5 STATING WHAT PROPERTY IS EXEMPT FROM EXECUTION ON A
6 JUDGMENT; AND REPEALING SECTIONS 25-13-601, 25-13-602,
7 25-13-611 THROUGH 25-13-614, 25-13-616, AND 25-13-617, MCA."
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Short title. This part shall be known and
11 may be cited as the "Montana Exempt Property Act".

12 Section 2. Definitions. As used in this part, the
13 following definitions apply:

- 14 (1) "Dependent" means a spouse or any other individual
15 over one-half of whose support is derived from a debtor.
- 16 (2) "Individual" means a natural person.
- 17 (3) "Lien" means a charge against or interest in
18 property to secure payment of a debt or performance of an
19 obligation.
- 20 (4) "Property to the extent reasonably necessary for
21 the support of himself and his dependents" means property to
22 the extent reasonably required to meet the present and
23 anticipated needs of the individual and his dependents, as
24 determined by the court.
- 25 (5) "Security interest" means an interest in property

1 created by a contract to secure payment or performance of an
2 obligation.

3 (6) "Statutory lien" means a lien arising by force of
4 a statute under specified circumstances or conditions and
5 does not include a security interest or a judicial lien.

6 (7) "Value" means the fair market value of an
7 individual's interest in property as of the date of
8 commencement of an action, exclusive of valid liens.

9 Section 3. Property exempt without limitation. An
10 individual is entitled to the exemption of the following
11 property from execution without limitation:

- 12 (1) professionally prescribed health aids necessary to
13 aid the individual or a dependent in work or to sustain
14 health;
- 15 (2) benefits the individual has received or is
16 entitled to receive under federal social security, state
17 unemployment compensation, or federal, state, or local
18 public assistance;
- 19 (3) benefits paid or payable for medical, surgical, or
20 hospital care to the extent that they are or will be paid
21 for the care;
- 22 (4) veteran's benefits; and
- 23 (5) an award under the Crime Victims Compensation Act
24 of Montana.

25 Section 4. Property exempt to the extent reasonably



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1 necessary for support. An individual is entitled to
2 exemption of the following property to the extent reasonably
3 necessary for support of himself and his dependents:

4 (1) benefits not already exempt without limitation
5 under [section 3] that are paid or payable by reason of
6 disability, illness, or unemployment;

7 (2) money or property received or to be received for
8 alimony support or separate maintenance;

9 (3) proceeds of insurance, a judgment, or a settlement
10 accruing as a result of bodily injury to the individual, but
11 not including pain and suffering or actual monetary loss,
12 not to exceed \$7,500;

13 (4) proceeds of insurance, a judgment, or a settlement
14 accruing as a result of the wrongful death of a person of
15 whom the individual was a dependent;

16 (5) proceeds or benefits paid or payable on the death
17 of an insured of whom the individual was a dependent; and

18 (6) amounts paid or payable under a stock bonus,
19 pension, profit-sharing, annuity, or similar plan or
20 contract providing benefits on account of retirement, age,
21 illness, or disability.

22 Section 5. Exemption of unmatured life insurance
23 contracts. If an individual owns an unmatured life insurance
24 contract and he or a dependent is the insured, only \$500 of
25 any accrued dividends, interest, or loan value is exempt.

1 All other dividends, interest, or loan value under any
2 unmatured life insurance contract he owns is not exempt.

3 Section 6. Exemption of personal property subject to
4 value limitations. (1) An individual is entitled to
5 exemption of the following property not to exceed \$200 in
6 value as to any one item of property:

7 (a) household furnishings and goods, wearing apparel,
8 appliances, animals, books, crops, musical instruments, and
9 jewelry, not to exceed an aggregate value of \$3,000; and

10 (b) family portraits and heirlooms of particular
11 sentimental value to the individual, not to exceed an
12 aggregate value of \$750.

13 (2) An individual is entitled to an exemption for
14 implements, professional books, and tools of the trade,
15 occupation, or profession by which he earns his livelihood
16 reasonably necessary to the individual in the exercise of
17 the trade, occupation, or profession, not to exceed an
18 aggregate value of \$750.

19 (3) An individual is entitled to the exemption of one
20 motor vehicle to the extent of a value not exceeding \$1,000.
21 If the motor vehicle also qualifies under subsection (2),
22 any unused amount of the exemption under subsection (2) may
23 be applied to further exempt the motor vehicle.

24 Section 7. Waiver of exemptions. A waiver of a
25 statutory exemption from execution in favor of an unsecured

1 creditor is unenforceable.

2 Section 8. Statutory lien or security interest. This
3 part does not affect any statutory lien or security interest
4 in exempt property.

5 Section 9. Repealer. Sections 25-13-601, 25-13-602,
6 25-13-611 through 25-13-614, 25-13-616, and 25-13-617, MCA,
7 are repealed.

8 Section 10. Codification instruction. Sections 1
9 through 8 are intended to be codified as an integral part of
10 Title 25, chapter 13, part 6.

-End-

APPROVED BY COMMITTEE
ON JUDICIARY

HOUSE BILL NO. 834
INTRODUCED BY BERGENE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE LAW
STATING WHAT PROPERTY IS EXEMPT FROM EXECUTION ON A
JUDGMENT; EXCEPTING CHILD SUPPORT AND SPOUSAL MAINTENANCE
OBLIGATIONS; AND REPEALING SECTIONS 25-13-601, 25-13-602,
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obligation.

(4) "Property to the extent reasonably necessary for
the support of himself and his dependents" means property to
the extent reasonably required to meet the present and
anticipated needs of the individual and his dependents, as
determined by the court.

(5) "Security interest" means an interest in property
created by a contract to secure payment or performance of an
obligation.

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commencement of an action, exclusive of valid liens.

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for the care;

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of Montana.



1 Section 4. Property exempt to the extent reasonably
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3 exemption of the following property to the extent reasonably
4 necessary for support of himself and his dependents:

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9 alimony support or separate maintenance;

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11 accruing as a result of bodily injury to the individual, but
12 not including pain and suffering or actual monetary loss,
13 ~~not-to-exceed-\$7,500;~~

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15 accruing as a result of the wrongful death of a person of
16 whom the individual was a dependent;

17 (5) proceeds or benefits paid or payable on the death
18 of an insured of whom the individual was a dependent; and

19 (6) amounts paid or payable under a stock bonus,
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21 contract providing benefits on account of retirement, age,
22 illness, or disability.

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3 any unmaturred life insurance contract he owns is not exempt.

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7 ~~value-as-to-any-one-item-of-property:~~

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9 appliances, animals, books, crops, musical instruments, and
10 jewelry, not to exceed an aggregate value of ~~\$3,000~~ \$5,000;
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15 (2) An individual is entitled to an exemption for
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17 occupation, or profession by which he earns his livelihood
18 reasonably necessary to the individual in the exercise of
19 the trade, occupation, or profession, not to exceed an
20 aggregate value of ~~\$750~~ \$5,000.

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22 motor vehicle to the extent of a value not exceeding ~~\$1,000~~
23 \$5,000. If the motor vehicle also qualifies under subsection
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2 statutory exemption from execution in favor of an unsecured
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4 Section 8. Statutory lien or security interest. This
5 part does not affect any statutory lien or security interest
6 in exempt property.

7 SECTION 9. EXCEPTION FOR CHILD SUPPORT AND SPOUSAL
8 MAINTENANCE OBLIGATIONS. THE EXEMPTIONS ENUMERATED IN
9 [SECTIONS 3 THROUGH 8] ARE NOT APPLICABLE TO A CHILD SUPPORT
10 OBLIGATION AND SPOUSAL MAINTENANCE OBLIGATION.

11 Section 10. Repealer. Sections 25-13-601, 25-13-602,
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