

**SUBSTITUTE FOR  
SENATE BILL NO. 524**

A bill to amend 1961 PA 236, entitled  
"Revised judicature act of 1961,"  
by amending section 6023 (MCL 600.6023), as amended by 2012 PA 553.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 6023. (1) The following property of a judgment debtor and  
2       the judgment debtor's dependents is exempt from levy and sale under  
3       an execution:

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

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

11      (c) A seat, pew, or slip occupied by the judgment debtor or

1 the judgment debtor's family in a house or place of public worship,  
2 and all cemeteries, tombs, and rights of burial while in use as  
3 repositories of the dead of the judgment debtor's family or kept  
4 for burial of the judgment debtor.

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

9 (e) The tools, implements, materials, stock, apparatus, team,  
10 vehicle, motor vehicle, horses, harness, or other things to enable  
11 a person to carry on the profession, trade, occupation, or business  
12 in which the person is principally engaged, not exceeding in value  
13 \$1,000.00.

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

23 (g) A homestead of not more than 40 acres of land and the  
24 dwelling house and appurtenances on that homestead that is not  
25 included in a recorded plat, city, or village, or, at the option of  
26 the owner, a quantity of land that consists of not more than 1 lot  
27 that is within a recorded town plat, city, or village, and the

1 dwelling house and appurtenances on that land, owned and occupied  
2 by any resident of this state, not exceeding in value \$3,500.00.  
3 This exemption applies to any house that is owned, occupied, and  
4 claimed as a homestead by a person but that is on land not owned by  
5 the person. However, this exemption does not apply to a mortgage on  
6 the homestead that is lawfully obtained. A mortgage is not valid  
7 for purposes of this subdivision without the signature of a married  
8 judgment debtor's spouse unless either of the following occurs:

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

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

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

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

20 (j) An individual retirement account or individual retirement  
21 annuity as defined in section 408 or 408a of the internal revenue  
22 code of 1986, 26 USC 408 and 408a, and the payments or  
23 distributions from the account or annuity. This exemption applies  
24 to the operation of the federal bankruptcy code as permitted by  
25 section 522(b)(2) of the bankruptcy code, 11 USC 522. This  
26 exemption does not apply to any amounts contributed to the  
27 individual retirement account or individual retirement annuity if

1 the contribution occurs within 120 days before the debtor files for  
2 bankruptcy. This exemption does not apply to an individual  
3 retirement account or individual retirement annuity to the extent  
4 that any of the following occur:

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

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

10 (iii) Contributions to the individual retirement account or  
11 premiums on the individual retirement annuity, including the  
12 earnings or benefits from those contributions or premiums, exceed,  
13 in the tax year made or paid, the deductible amount allowed under  
14 section 408 of the internal revenue code of 1986, 26 USC 408. This  
15 limitation on contributions does not apply to a rollover of a  
16 pension, profit-sharing, stock bonus, or other plan that is  
17 qualified under section 401 of the internal revenue code of 1986,  
18 26 USC 401, or an annuity contract under section 403(b) of the  
19 internal revenue code of 1986, 26 USC 403.

20 (iv) **THE INDIVIDUAL RETIREMENT ACCOUNT OR INDIVIDUAL RETIREMENT**  
21 **ANNUITY IS SUBJECT TO A LEVY UNDER SECTION 25C OF THE SUPPORT AND**  
22 **PARENTING TIME ENFORCEMENT ACT, 1982 PA 295, MCL 552.625C, AS**  
23 **PERMITTED BY FEDERAL LAW.**

24 (k) The right or interest of a person in a pension, profit-  
25 sharing, stock bonus, or other plan that is qualified under section  
26 401 of the internal revenue code of 1986, 26 USC 401, or an annuity  
27 contract under section 403(b) of the internal revenue code of 1986,

1 26 USC 403, if the plan or annuity is subject to the employee  
2 retirement income security act of 1974, Public Law 93-406, 88 Stat.  
3 829. This exemption applies to the operation of the federal  
4 bankruptcy code, as permitted by section 522(b)(2) of the  
5 bankruptcy code, 11 USC 522. This exemption does not apply to any  
6 amount contributed to a pension, profit-sharing, stock bonus, or  
7 other qualified plan or a 403(b) annuity if the contribution occurs  
8 within 120 days before the debtor files for bankruptcy. This  
9 exemption does not apply to the right or interest of a person in a  
10 pension, profit-sharing, stock bonus, or other qualified plan or a  
11 403(b) annuity to the extent that the right or interest in the plan  
12 or annuity is subject to either of the following:

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

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

16 (l) Any interest in the following:

17 (i) A trust, fund, or advance tuition payment contract  
18 established under the Michigan education trust act, 1986 PA 316,  
19 MCL 390.1421 to 390.1442.

20 (ii) An account established under the Michigan education  
21 savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

22 (iii) An account in a qualified tuition program or educational  
23 savings trust under section 529 or 530 of the internal revenue code  
24 of 1986, 26 USC 529 and 530.

25 (2) The exemptions provided in this section do not extend to  
26 any lien on the exempt property that is excluded from exemption by  
27 law.

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

6           Enacting section 1. This amendatory act does not take effect  
7 unless all of the following bills of the 97th Legislature are  
8 enacted into law:

9           (a) Senate Bill No. 523.

10          (b) Senate Bill No. 525.