

# Legislative Analysis

---



## EXEMPT EDUCATIONAL TRUSTS FROM JUDGMENT LEVY

Mary Ann Cleary, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 895 as introduced**  
**Sponsor: Sen. Mike Green**  
**House Committee: Judiciary**  
**Senate Committee: Judiciary**

**Complete to 11-6-12**

### A SUMMARY OF SENATE BILL 895 AS PASSED BY THE SENATE 6-6-12

The bill would protect an interest in an educational trust account from levy under a court judgment.

Senate Bill 895 would amend Section 6023 of Chapter 60 (Enforcements of Judgments) of the Revised Judicature Act. Section 6023 lists various types of assets that are exempt from levy and sale under a court judgment, for instance, in a bankruptcy proceeding or when a creditor sues for repayment of a debt.

The bill would add another exemption to the list of exempt property and assets. Any interest in the following would be protected from levy and sale:

- A trust, fund, or advance tuition payment contract established under the Michigan Education Trust Act.
- An account established under the Michigan Education Savings Program Act.
- An account in a qualified tuition program or educational savings trust under Section 529 or 530 of the Internal Revenue Code.

MCL 600.6023

### FISCAL IMPACT:

The bill would have no fiscal impact on state or local government.

Legislative Analyst: Susan Stutzky  
Fiscal Analyst: Erik Jonasson

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.