

FIRST REGULAR SESSION

[PERFECTED]

# HOUSE BILL NO. 276

## 98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CORNEJO.

1012L.01P

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 513.430, RSMo, and to enact in lieu thereof one new section relating to property exemptions from attachment.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 513.430, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 513.430, to read as follows:

513.430. 1. The following property shall be exempt from attachment and execution to the extent of any person's interest therein:

(1) Household furnishings, household goods, wearing apparel, appliances, books, animals, crops or musical instruments that are held primarily for personal, family or household use of such person or a dependent of such person, not to exceed three thousand dollars in value in the aggregate;

(2) A wedding ring not to exceed one thousand five hundred dollars in value and other jewelry held primarily for the personal, family or household use of such person or a dependent of such person, not to exceed five hundred dollars in value in the aggregate;

(3) Any other property of any kind, not to exceed in value six hundred dollars in the aggregate;

(4) Any implements or professional books or tools of the trade of such person or the trade of a dependent of such person not to exceed three thousand dollars in value in the aggregate;

(5) Any motor vehicles, not to exceed three thousand dollars in value in the aggregate;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 (6) Any mobile home used as the principal residence but not attached to real property  
17 in which the debtor has a fee interest, not to exceed five thousand dollars in value;

18 (7) Any one or more unmaturred life insurance contracts owned by such person, other  
19 than a credit life insurance contract, **and up to fifteen thousand dollars of any matured life**  
20 **insurance proceeds for actual funeral, cremation, or burial expenses where the deceased**  
21 **is the spouse, child, or parent of the beneficiary;**

22 (8) The amount of any accrued dividend or interest under, or loan value of, any one or  
23 more unmaturred life insurance contracts owned by such person under which the insured is such  
24 person or an individual of whom such person is a dependent; provided, however, that if  
25 proceedings under Title 11 of the United States Code are commenced by or against such person,  
26 the amount exempt in such proceedings shall not exceed in value one hundred fifty thousand  
27 dollars in the aggregate less any amount of property of such person transferred by the life  
28 insurance company or fraternal benefit society to itself in good faith if such transfer is to pay a  
29 premium or to carry out a nonforfeiture insurance option and is required to be so transferred  
30 automatically under a life insurance contract with such company or society that was entered into  
31 before commencement of such proceedings. No amount of any accrued dividend or interest  
32 under, or loan value of, any such life insurance contracts shall be exempt from any claim for  
33 child support. Notwithstanding anything to the contrary, no such amount shall be exempt in such  
34 proceedings under any such insurance contract which was purchased by such person within one  
35 year prior to the commencement of such proceedings;

36 (9) Professionally prescribed health aids for such person or a dependent of such person;

37 (10) Such person's right to receive:

38 (a) A Social Security benefit, unemployment compensation or a public assistance  
39 benefit;

40 (b) A veteran's benefit;

41 (c) A disability, illness or unemployment benefit;

42 (d) Alimony, support or separate maintenance, not to exceed seven hundred fifty dollars  
43 a month;

44 (e) Any payment under a stock bonus plan, pension plan, disability or death benefit plan,  
45 profit-sharing plan, nonpublic retirement plan or any plan described, defined, or established  
46 pursuant to section 456.014, the person's right to a participant account in any deferred  
47 compensation program offered by the state of Missouri or any of its political subdivisions, or  
48 annuity or similar plan or contract on account of illness, disability, death, age or length of  
49 service, to the extent reasonably necessary for the support of such person and any dependent of  
50 such person unless:

51 a. Such plan or contract was established by or under the auspices of an insider that  
52 employed such person at the time such person's rights under such plan or contract arose;

53 b. Such payment is on account of age or length of service; and

54 c. Such plan or contract does not qualify under Section 401(a), 403(a), 403(b), 408, 408A  
55 or 409 of the Internal Revenue Code of 1986, as amended, (26 U.S.C. Section 401(a), 403(a),  
56 403(b), 408, 408A or 409);

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58 except that any such payment to any person shall be subject to attachment or execution pursuant  
59 to a qualified domestic relations order, as defined by Section 414(p) of the Internal Revenue  
60 Code of 1986, as amended, issued by a court in any proceeding for dissolution of marriage or  
61 legal separation or a proceeding for disposition of property following dissolution of marriage by  
62 a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to  
63 dispose of marital property at the time of the original judgment of dissolution;

64 (f) Any money or assets, payable to a participant or beneficiary from, or any interest of  
65 any participant or beneficiary in, a retirement plan, profit-sharing plan, health savings plan, or  
66 similar plan, including an inherited account or plan, that is qualified under Section 401(a),  
67 403(a), 403(b), 408, 408A or 409 of the Internal Revenue Code of 1986, as amended, whether  
68 such participant's or beneficiary's interest arises by inheritance, designation, appointment, or  
69 otherwise, except as provided in this paragraph. Any plan or arrangement described in this  
70 paragraph shall not be exempt from the claim of an alternate payee under a qualified domestic  
71 relations order; however, the interest of any and all alternate payees under a qualified domestic  
72 relations order shall be exempt from any and all claims of any creditor, other than the state of  
73 Missouri through its department of social services. As used in this paragraph, the terms  
74 "alternate payee" and "qualified domestic relations order" have the meaning given to them in  
75 Section 414(p) of the Internal Revenue Code of 1986, as amended. If proceedings under Title  
76 11 of the United States Code are commenced by or against such person, no amount of funds shall  
77 be exempt in such proceedings under any such plan, contract, or trust which is fraudulent as  
78 defined in subsection 2 of section 428.024 and for the period such person participated within  
79 three years prior to the commencement of such proceedings. For the purposes of this section,  
80 when the fraudulently conveyed funds are recovered and after, such funds shall be deducted and  
81 then treated as though the funds had never been contributed to the plan, contract, or trust;

82 (11) The debtor's right to receive, or property that is traceable to, a payment on account  
83 of the wrongful death of an individual of whom the debtor was a dependent, to the extent  
84 reasonably necessary for the support of the debtor and any dependent of the debtor.

85 2. Nothing in this section shall be interpreted to exempt from attachment or execution  
86 for a valid judicial or administrative order for the payment of child support or maintenance any  
87 money or assets, payable to a participant or beneficiary from, or any interest of any participant

88 or beneficiary in, a retirement plan which is qualified pursuant to Section 408A of the Internal  
89 Revenue Code of 1986, as amended.

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