

SENATE BILL NO. 432—COMMITTEE ON COMMERCE AND LABOR

MARCH 29, 2005

Referred to Committee on Judiciary

SUMMARY—Revises exemption from execution of certain money, benefits, privileges or immunities accruing or growing out of life insurance. (BDR 2-1316)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to property; revising the exemption from execution of certain money, benefits, privileges or immunities accruing or growing out of any life insurance; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 21.090 is hereby amended to read as follows:
2 21.090 1. The following property is exempt from execution,
3 except as otherwise specifically provided in this section:
4 (a) Private libraries not to exceed \$1,500 in value, and all family
5 pictures and keepsakes.
6 (b) Necessary household goods, as defined in 16 C.F.R. §
7 444.1(i) as that section existed on January 1, 1987, and yard
8 equipment, not to exceed \$10,000 in value, belonging to the
9 judgment debtor to be selected by him.
10 (c) Farm trucks, farm stock, farm tools, farm equipment,
11 supplies and seed not to exceed \$4,500 in value, belonging to the
12 judgment debtor to be selected by him.
13 (d) Professional libraries, office equipment, office supplies and
14 the tools, instruments and materials used to carry on the trade of the
15 judgment debtor for the support of himself and his family not to
16 exceed \$4,500 in value.



(e) The cabin or dwelling of a miner or prospector, his cars, implements and appliances necessary for carrying on any mining operations and his mining claim actually worked by him, not exceeding \$4,500 in total value.

(f) Except as otherwise provided in paragraph (o), one vehicle if the judgment debtor's equity does not exceed \$15,000 or the creditor is paid an amount equal to any excess above that equity.

(g) For any pay period, 75 percent of the disposable earnings of a judgment debtor during that period, or for each week of the period 30 times the minimum hourly wage prescribed by section 6(a)(1) of the federal Fair Labor Standards Act of 1938, 29 U.S.C. § 206(a)(1), and in effect at the time the earnings are payable, whichever is greater. Except as otherwise provided in paragraphs (n), (r) and (s), the exemption provided in this paragraph does not apply in the case of any order of a court of competent jurisdiction for the support of any person, any order of a court of bankruptcy or of any debt due for any state or federal tax. As used in this paragraph, "disposable earnings" means that part of the earnings of a judgment debtor remaining after the deduction from those earnings of any amounts required by law, to be withheld.

(h) All fire engines, hooks and ladders, with the carts, trucks and carriages, hose, buckets, implements and apparatus thereunto appertaining, and all furniture and uniforms of any fire company or department organized under the laws of this State.

(i) All arms, uniforms and accouterments required by law to be kept by any person, and also one gun, to be selected by the debtor.

(j) All courthouses, jails, public offices and buildings, lots, grounds and personal property, the fixtures, furniture, books, papers and appurtenances belonging and pertaining to the courthouse, jail and public offices belonging to any county of this State, all cemeteries, public squares, parks and places, public buildings, town halls, markets, buildings for the use of fire departments and military organizations, and the lots and grounds thereto belonging and appertaining, owned or held by any town or incorporated city, or dedicated by the town or city to health, ornament or public use, or for the use of any fire or military company organized under the laws of this State and all lots, buildings and other school property owned by a school district and devoted to public school purposes.

(k) All money, benefits, privileges or immunities accruing or in any manner growing out of any life insurance ~~if the annual premium paid does not exceed \$1,000. If the premium exceeds that amount, a similar exemption exists which bears the same proportion to the money, benefits, privileges and immunities so accruing or growing out of the insurance that the \$1,000 bears to the whole annual premium paid.~~ **policy, unless that policy was purchased:**



1 ***(1) Within 1 year before the date on which the judgment***
2 ***debtor files a voluntary petition for bankruptcy or is adjudged an***
3 ***involuntary bankrupt; or***

4 ***(2) With the intent to hinder, delay or defraud any creditor.***

5 (l) The homestead as provided for by law, including a
6 homestead for which allodial title has been established and not
7 relinquished and for which a waiver executed pursuant to NRS
8 115.010 is not applicable.

9 (m) The dwelling of the judgment debtor occupied as a home for
10 himself and family, where the amount of equity held by the
11 judgment debtor in the home does not exceed \$200,000 in value and
12 the dwelling is situated upon lands not owned by him.

13 (n) All property in this State of the judgment debtor where the
14 judgment is in favor of any state for failure to pay that state's
15 income tax on benefits received from a pension or other retirement
16 plan.

17 (o) Any vehicle owned by the judgment debtor for use by him or
18 his dependent that is equipped or modified to provide mobility for a
19 person with a permanent disability.

20 (p) Any prosthesis or equipment prescribed by a physician or
21 dentist for the judgment debtor or a dependent of the debtor.

22 (q) Money, not to exceed \$500,000 in present value, held in:

23 (1) An individual retirement arrangement which conforms
24 with the applicable limitations and requirements of 26 U.S.C. § 408;

25 (2) A written simplified employee pension plan which
26 conforms with the applicable limitations and requirements of 26
27 U.S.C. § 408;

28 (3) A cash or deferred arrangement which is a qualified plan
29 pursuant to the Internal Revenue Code;

30 (4) A trust forming part of a stock bonus, pension or profit-
31 sharing plan which is a qualified plan pursuant to sections 401 et
32 seq. of the Internal Revenue Code, 26 U.S.C. §§ 401 et seq.; and

33 (5) A trust forming part of a qualified tuition program
34 pursuant to chapter 353B of NRS, any applicable regulations
35 adopted pursuant to chapter 353B of NRS and section 529 of the
36 Internal Revenue Code, 26 U.S.C. § 529, unless the money is
37 deposited after the entry of a judgment against the purchaser or
38 account owner or the money will not be used by any beneficiary to
39 attend a college or university.

40 (r) All money and other benefits paid pursuant to the order of a
41 court of competent jurisdiction for the support, education and
42 maintenance of a child, whether collected by the judgment debtor or
43 the State.

44 (s) All money and other benefits paid pursuant to the order of a
45 court of competent jurisdiction for the support and maintenance of a



1 former spouse, including the amount of any arrearages in the
2 payment of such support and maintenance to which the former
3 spouse may be entitled.

4 (t) Payments, in an amount not to exceed \$16,150, received as
5 compensation for personal injury, not including compensation for
6 pain and suffering or actual pecuniary loss, by the judgment debtor
7 or by a person upon whom the judgment debtor is dependent at the
8 time the payment is received.

9 (u) Payments received as compensation for the wrongful death
10 of a person upon whom the judgment debtor was dependent at the
11 time of the wrongful death, to the extent reasonably necessary for
12 the support of the judgment debtor and any dependent of the
13 judgment debtor.

14 (v) Payments received as compensation for the loss of future
15 earnings of the judgment debtor or of a person upon whom the
16 judgment debtor is dependent at the time the payment is received, to
17 the extent reasonably necessary for the support of the judgment
18 debtor and any dependent of the judgment debtor.

19 (w) Payments received as restitution for a criminal act.

20 2. Except as otherwise provided in NRS 115.010, no article or
21 species of property mentioned in this section is exempt from
22 execution issued upon a judgment to recover for its price, or upon a
23 judgment of foreclosure of a mortgage or other lien thereon.

24 3. Any exemptions specified in subsection (d) of section 522 of
25 the Bankruptcy Act of 1978, 11 U.S.C. § 522(d), do not apply to
26 property owned by a resident of this State unless conferred also by
27 subsection 1, as limited by subsection 2.

