

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1058*
PROPOSED COMMITTEE SUBSTITUTE H1058-PCS10963-LA-16

Short Title: Increase Statutory Homestead Exemption.

(Public)

Sponsors:

Referred to:

April 6, 2009

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE STATUTORY HOMESTEAD EXEMPTION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 1C-1601(a) reads as rewritten:

"(a) Exempt property. – Each individual, resident of this State, who is a debtor is entitled to retain free of the enforcement of the claims of creditors:

- (1) The debtor's aggregate interest, not to exceed ~~eighteen thousand five hundred dollars (\$18,500)~~ one hundred fifty thousand dollars (\$150,000) in value, in real property or personal property that the debtor or a dependent of the debtor uses as a ~~residence,~~ residence or in a cooperative that owns property that the debtor or a dependent of the debtor uses as a ~~residence, or in a burial plot for the debtor or a dependent of the debtor; however, an unmarried debtor who is 65 years of age or older is entitled to retain an aggregate interest in the property not to exceed thirty seven thousand dollars (\$37,000) in value so long as the property was previously owned by the debtor as a tenant by the entireties or as a joint tenant with rights of survivorship and the former co-owner of the property is deceased.~~ residence.
- (2) The debtor's aggregate interest in any property, not to exceed five thousand dollars (\$5,000) in value of any unused exemption amount to which the debtor is entitled under subdivision (1) of this subsection.
- (3) The debtor's interest, not to exceed three thousand five hundred dollars (\$3,500) in value, in one motor vehicle.
- (4) The debtor's aggregate interest, not to exceed five thousand dollars (\$5,000) in value for the debtor plus one thousand dollars (\$1,000) for each dependent of the debtor, not to exceed four thousand dollars (\$4,000) total for dependents, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.
- (5) The debtor's aggregate interest, not to exceed two thousand dollars (\$2,000) in value, in any implements, professional books, or tools of the trade of the debtor or the trade of a dependent of the debtor.
- (6) Life insurance as provided in Article X, Section 5 of the Constitution of North Carolina.



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- 1 (7) Professionally prescribed health aids for the debtor or a dependent of the
2 debtor.
- 3 (8) Compensation for personal injury, including compensation from private
4 disability policies or annuities, or compensation for the death of a person
5 upon whom the debtor was dependent for support, but such compensation is
6 not exempt from claims for funeral, legal, medical, dental, hospital, and
7 health care charges related to the accident or injury giving rise to the
8 compensation.
- 9 (9) Individual retirement plans as defined in the Internal Revenue Code and any
10 plan treated in the same manner as an individual retirement plan under the
11 Internal Revenue Code, including individual retirement accounts and Roth
12 retirement accounts as described in section 408(a) and section 408A of the
13 Internal Revenue Code, individual retirement annuities as described in
14 section 408(b) of the Internal Revenue Code, and accounts established as
15 part of a trust described in section 408(c) of the Internal Revenue Code.
- 16 (10) Funds in a college savings plan qualified under section 529 of the Internal
17 Revenue Code, not to exceed a cumulative limit of twenty-five thousand
18 dollars (\$25,000), but excluding any funds placed in a college savings plan
19 account within the preceding 12 months (except to the extent any of the
20 contributions were made in the ordinary course of the debtor's financial
21 affairs and were consistent with the debtor's past pattern of contributions)
22 and only to the extent that the funds are for a child of the debtor and will
23 actually be used for the child's college or university expenses.
- 24 (11) Retirement benefits under the retirement plans of other states and
25 governmental units of other states, to the extent that these benefits are
26 exempt under the laws of the state or governmental unit under which the
27 benefit plan is established.
- 28 (12) Alimony, support, separate maintenance, and child support payments or
29 funds that have been received or to which the debtor is entitled, to the extent
30 the payments or funds are reasonably necessary for the support of the debtor
31 or any dependent of the debtor.
- 32 (13) The debtor's aggregate interest, not to exceed eighteen thousand five
33 hundred dollars (\$18,500) in value, in a burial plot for the debtor or a
34 dependent of the debtor."

35 **SECTION 2.** This act is effective when it becomes law.