

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1058*
Committee Substitute Favorable 5/12/09
Third Edition Engrossed 5/14/09

Short Title: Increase Statutory Homestead Exemption.

(Public)

Sponsors:

Referred to:

April 6, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE THE STATUTORY HOMESTEAD EXEMPTION.

3 The General Assembly of North Carolina enacts:

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

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

7 (1) The debtor's aggregate interest, not to exceed ~~eighteen thousand five~~
8 ~~hundred dollars (\$18,500)~~seventy-five thousand dollars (\$75,000) in value,
9 in real property or personal property that the debtor or a dependent of the
10 debtor uses as a ~~residence,~~residence or in a cooperative that owns property
11 that the debtor or a dependent of the debtor uses as a ~~residence, or in a burial~~
12 ~~plot for the debtor or a dependent of the debtor; however, an unmarried~~
13 ~~debtor who is 65 years of age or older is entitled to retain an aggregate~~
14 ~~interest in the property not to exceed thirty seven thousand dollars (\$37,000)~~
15 ~~in value so long as the property was previously owned by the debtor as a~~
16 ~~tenant by the entirety or as a joint tenant with rights of survivorship and the~~
17 ~~former co-owner of the property is deceased.~~residence. In the case of a
18 married couple owning property as tenants by the entirety, the total
19 exemption for husband and wife is seventy five thousand dollars (\$75,000).

20 (2) The debtor's aggregate interest in any property, not to exceed five thousand
21 dollars (\$5,000) in value of any unused exemption amount to which the
22 debtor is entitled under subdivision (1) of this subsection.

23 (3) The debtor's interest, not to exceed three thousand five hundred dollars
24 (\$3,500) in value, in one motor vehicle.

25 (4) The debtor's aggregate interest, not to exceed five thousand dollars (\$5,000)
26 in value for the debtor plus one thousand dollars (\$1,000) for each dependent
27 of the debtor, not to exceed four thousand dollars (\$4,000) total for
28 dependents, in household furnishings, household goods, wearing apparel,
29 appliances, books, animals, crops, or musical instruments, that are held
30 primarily for the personal, family, or household use of the debtor or a
31 dependent of the debtor.

32 (5) The debtor's aggregate interest, not to exceed two thousand dollars (\$2,000)
33 in value, in any implements, professional books, or tools of the trade of the
34 debtor or the trade of a dependent of the debtor.



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

36 **SECTION 2.** This act becomes effective January 1, 2010, and applies to judgments
37 and bankruptcy petitions filed on or after that date.