

Sixty-first  
Legislative Assembly  
of North Dakota

Introduced by

Legislative Council

(Judicial Process Committee)

1 A BILL for an Act to amend and reenact sections 28-22-01, 28-22-02, 28-22-03, 28-22-03.1,  
2 28-22-05, 28-22-07, 28-22-15, 47-18-01, 47-18-04, 47-18-14, and 47-18-16 of the North Dakota  
3 Century Code, relating to exemptions from process and the homestead exemption; and to  
4 repeal section 28-22-04 of the North Dakota Century Code, relating to alternative exemptions.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Section 28-22-01 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **28-22-01. Property exempt from all process.** Except as otherwise provided, the  
9 property mentioned in this chapter is exempt to the head of a family, as defined by section  
10 28-22-01.1, from attachment, prejudgment, or other mesne process and from levy and sale  
11 upon execution and from any other final process issued from any court.

12 **SECTION 2. AMENDMENT.** Section 28-22-02 of the North Dakota Century Code is  
13 amended and reenacted as follows:

14 **28-22-02. Absolute exemption.** The property mentioned in this section is absolutely  
15 exempt from all process, levy, or sale:

- 16 1. All family pictures.
- 17 2. A pew or other sitting in any house of worship.
- 18 3. A lot or lots in any burial ground.
- 19 4. ~~The~~ One family Bible or other family primary religious text and all schoolbooks  
20 used by the family and all other books used as a part of the family library ~~not~~  
21 ~~exceeding in value one hundred dollars.~~
- 22 5. All wearing apparel, not exceeding five thousand dollars in value, and all clothing  
23 of the debtor and the debtor's family.

- 1           6.    The in-kind provisions for the debtor and the debtor's family necessary for one  
2                    year's supply, either provided or growing, or both, and in-kind fuel necessary for  
3                    heating the debtor's home or operating the debtor's motor vehicle for one year.
- 4           7.    The homestead as created, defined, and limited by law.
- 5           8.    All crops and grain, both threshed and unthreshed, raised by the debtor on not to  
6                    exceed one hundred sixty acres [64.75 hectares] of land in one tract occupied by  
7                    the debtor, either as owner or tenant, as the debtor's home, but the provisions of  
8                    this subsection in no way affect seed, thresher, or landlord liens, and if the debtor  
9                    takes advantage of this subsection the debtor may not take any additional  
10                  alternative exemptions provided under this chapter.
- 11          9.    All insurance benefits resulting from insurance covering any or all of the absolute  
12                  exemptions if the insurance benefits are in cash or have been invested in other  
13                  property capable of exemption under this chapter.
- 14          10. ~~Any~~ In lieu of the homestead, and subject to the same value limitations that exist  
15                  with respect to the homestead exemption, any houstrailer or mobile home  
16                  occupied as a residence by the debtor or the debtor's family, except that it is not  
17                  exempt from process, levy, or sale for taxes levied on it pursuant to chapter 57-55.  
18                  This section does not preclude the debtor from claiming a mobile home as a  
19                  dwelling house as part of the homestead.

20           **SECTION 3. AMENDMENT.** Section 28-22-03 of the North Dakota Century Code is  
21 amended and reenacted as follows:

22           **28-22-03. Additional exemption for head of a family.** In addition to the absolute  
23 exemptions mentioned in section 28-22-02, except in subsection 8 thereof, the head of a family,  
24 personally or by that person's agent, may select from that person's other personal property, any  
25 goods, chattels, merchandise, money, and other personal property not exceeding in value the  
26 sum of ~~five~~ seven thousand five hundred dollars, which also is exempt from all attachment or  
27 mesne process, levy and sale upon execution, and any other final process issued from any  
28 court. The exemption under this section may not be used to exempt a real estate interest of  
29 any kind.

30           **SECTION 4. AMENDMENT.** Section 28-22-03.1 of the North Dakota Century Code is  
31 amended and reenacted as follows:

1           **28-22-03.1. Additional exemptions for residents.** In addition to the exemptions from  
2 all attachment or process, levy and sale upon execution, and any other final process issued  
3 from any court, otherwise provided by law, a resident of the state may select:

4           1. In lieu of the homestead exemption, up to seven thousand five hundred dollars.

5           This exemption is not available if the resident exemption claimant, the spouse of  
6           the resident exemption claimant, or other head of the family of the resident  
7           exemption claimant has chosen the homestead exemption provided for under  
8           subsection 7 of section 28-22-02.

9           2. A motor vehicle exemption in one vehicle not to exceed ~~one~~ two thousand ~~two~~  
10           nine hundred fifty dollars in value over security interests and liens upon that  
11           vehicle, or a motor vehicle exemption in one vehicle not to exceed thirty-two  
12           thousand dollars for a motor vehicle that has been modified at a cost of not less  
13           than one thousand five hundred dollars to accommodate an individual with a  
14           permanent physical disability who is the owner of that motor vehicle.

15           3. ~~Pensions, annuity policies or plans, and life insurance policies that, upon the death~~  
16           ~~of the insured, would be payable to the spouse, children, or any relative of the~~  
17           ~~insured dependent, or likely to be dependent, upon the insured for support and~~  
18           ~~which have been in effect for a period of at least one year; individual retirement~~  
19           ~~accounts; Keogh plans, Roth individual retirement accounts under section 408A of~~  
20           ~~the Internal Revenue Code [Pub. L. 105-34; 111 Stat. 825; 26 U.S.C. 408A], and~~  
21           ~~simplified employee pension plans; and all other plans qualified under section 401~~  
22           ~~of the Internal Revenue Code [Pub. L. 83-591; 68A Stat. 134; 26 U.S.C. 401], and~~  
23           ~~section 408 of the Internal Revenue Code [Pub. L. 93-406; 88 Stat. 959; 26 U.S.C.~~  
24           ~~408], and pension or retirement plans sponsored by nonprofit corporations or~~  
25           ~~associations organized and operated exclusively for one or more of the purposes~~  
26           ~~specified in 26 U.S.C. 501(c)(3), and proceeds, surrender values, payments, and~~  
27           ~~withdrawals from such pensions, policies, plans, and accounts, up to one hundred~~  
28           ~~thousand dollars for each pension, policy, plan, and account with an aggregate~~  
29           ~~limitation of two hundred thousand dollars for all pensions, policies, plans, and~~  
30           ~~accounts.~~ The debtor's aggregate interest, not to exceed one thousand five

- 1           hundred dollars in value, in any tools, implements, or professional books of the  
2           trade of the debtor or the trade of a dependent of the debtor.
- 3           4. Any unmaturred life insurance contract owned by the debtor, other than a credit life  
4           insurance contract.
- 5           5. The debtor's aggregate interest, not to exceed in value eight thousand dollars less  
6           any amount of property transferred in the manner specified in 11 U.S.C. 542(d), in  
7           any accrued dividend or interest under, or loan value of, any unmaturred life  
8           insurance contract owned by the debtor under which the insured is the debtor or  
9           an individual of whom the debtor is a dependent.
- 10          6. Professionally prescribed health aids for the debtor or a dependent of the debtor.
- 11          7. Retirement funds that have been in effect for at least one year, to the extent those  
12          funds are in a fund or account that is exempt from taxation under section 401, 403,  
13          408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986. The value  
14          of those assets exempted may not exceed one hundred thousand dollars for any  
15          one account or two hundred thousand dollars in aggregate for all accounts. The  
16          dollar limit does not apply to the extent this property is reasonably necessary for  
17          the support of the resident and that resident's dependents, ~~except that the~~  
18          ~~pensions, policies, plans, and accounts or proceeds, surrender values, payments,~~  
19          ~~and withdrawals.~~ Retirement funds are not exempt from enforcement of any order  
20          to pay spousal support or child support, or a qualified domestic relations order  
21          under sections 15-39.1-12.2, 39-03.1-14.2, and 54-52-17.6. As used in this  
22          subsection, "reasonably necessary for the support" means required to meet  
23          present and future needs, as determined by the court after consideration of the  
24          resident's responsibilities and all the present and anticipated property and income  
25          of the resident, including that which is exempt.
- 26          4. ~~8.~~ The debtor's right to receive, ~~or property that is traceable to:~~
- 27               a. ~~A payment, not to exceed fifteen thousand dollars, on account of the wrongful~~  
28               ~~death of an individual of whom the debtor was a dependent.~~
- 29               b. ~~A payment, not to exceed fifteen thousand dollars, on account of personal~~  
30               ~~bodily injury, not including pain and suffering or compensation for actual~~

- 1                   ~~pecuniary loss, of the debtor or an individual of whom the debtor is a~~  
2                   ~~dependent.~~
- 3           e. A social security benefit, except that the benefit is not exempt for enforcement  
4           of any order for the support of a dependent child.
- 5           e. b. Veteran's disability pension benefits, not including military retirement pay,  
6           except that the benefits are not exempt from process levy or sale for  
7           enforcement of any order for the support of a dependent child.
- 8           c. A disability, illness, or unemployment benefit.
- 9           d. Alimony, support, or separate maintenance, but not property settlements, to  
10           the extent reasonably necessary for the support of the debtor and any  
11           dependent of the debtor.
- 12           e. A payment under a stock bonus, pension, profit-sharing, annuity, or similar  
13           plan or contract on account of illness, disability, death, age, or length of  
14           service, to the extent reasonably necessary for the support of the debtor and  
15           any dependent of the debtor, unless:
- 16                   (1) That plan or contract was established by or under the auspices of an  
17                   insider that employed the debtor at the time the debtor's rights under  
18                   that plan or contract arose;
- 19                   (2) That payment is on account of age or length of service; and
- 20                   (3) That plan or contract does not qualify under section 401(a), 403(a),  
21                   403(b), or 408 of the Internal Revenue Code of 1986.
- 22           9. The debtor's right to receive, or property that is traceable to:
- 23                   a. An award under a crime victim's reparation law.
- 24                   b. A payment on account of the wrongful death of an individual of whom the  
25                   debtor was a dependent, to the extent reasonably necessary for the support  
26                   of the debtor and any dependent of the debtor.
- 27                   c. A payment under a life insurance contract that insured the life of an individual  
28                   of whom the debtor was a dependent on the date of that individual's death, to  
29                   the extent reasonably necessary for the support of the debtor and any  
30                   dependent of the debtor.

- 1           d. A payment, not to exceed eighteen thousand four hundred fifty dollars, on  
2           account of personal bodily injury, not including pain and suffering or  
3           compensation for actual pecuniary loss, of the debtor or an individual of  
4           whom the debtor is a dependent.
- 5           e. A payment in compensation of loss of future earnings of the debtor or an  
6           individual of whom the debtor is or was a dependent, to the extent reasonably  
7           necessary for the support of the debtor and any dependent of the debtor.

8           **SECTION 5. AMENDMENT.** Section 28-22-05 of the North Dakota Century Code is  
9 amended and reenacted as follows:

10           **28-22-05. Exemptions of ~~a single~~ an unmarried person without dependents.** In  
11 addition to the absolute exemptions mentioned in section 28-22-02, except in subsection 8  
12 thereof, ~~a single~~ an unmarried person without any dependents, in person or by that person's  
13 agent, may select from that person's other personal property, goods, chattels, merchandise,  
14 money, or other personal property not exceeding in value the sum of ~~two~~ three thousand ~~five~~  
15 seven hundred fifty dollars, which is exempt.

16           **SECTION 6. AMENDMENT.** Section 28-22-07 of the North Dakota Century Code is  
17 amended and reenacted as follows:

18           **28-22-07. How exemptions claimed - Appraisal.** All property claimed as exempt  
19 must be selected by the debtor or the debtor's agent or attorney regardless of whether levy has  
20 been made yet on the property by the sheriff or levying officer. Failure to claim all exempt  
21 property at the time exemptions are claimed renders the unclaimed property nonexempt for  
22 purposes of this chapter. The value thereof, when material, must be determined by an  
23 appraisal made under the direction of the sheriff or other officer. Whenever any debtor,  
24 against whom an execution, writ of attachment, or other process has been issued, desires to  
25 claim the benefit of section 28-22-03, such debtor or the debtor's agent or attorney, shall make  
26 a schedule of all of the debtor's personal property of every kind and character, including money  
27 on hand and debts due and owing to the debtor, and shall deliver the same to the officer having  
28 the execution, writ of attachment, or other process. The schedule must be subscribed and  
29 sworn to by the debtor or the debtor's agent or attorney, and any property owned by the debtor  
30 and not included in such schedule is not exempt. No claim for exemptions may be disallowed  
31 for insufficiency as to form unless three days' notice in writing has been given first of the

1 insufficiency by the party in interest claiming such insufficiency to the person making the claim  
2 for exemptions, and specifying in apt language the defect complained of. The person claiming  
3 the exemption thereupon may amend the same to conform to the objections made within three  
4 days, if that person desires so to do, by serving upon the proper person an amended claim for  
5 exemptions.

6 **SECTION 7. AMENDMENT.** Section 28-22-15 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **28-22-15. When only absolute exemptions allowed.** Only absolute exemptions may  
9 be allowed against process:

- 10 1. For the wages of a laborer or mechanic who is, or had been, employed by the  
11 judgment debtor;
- 12 2. Upon a debt incurred for property obtained under false pretenses;
- 13 3. For fines, penalties, or costs of criminal prosecutions;
- 14 4. ~~Against a corporation for profit or limited liability company;~~
- 15 ~~5.~~ Against a nonresident;
- 16 ~~6.~~ 5. Against a debtor who is in the act of removing with the debtor's family from the  
17 state; or
- 18 ~~7.~~ 6. Against a debtor who has absconded, taking the debtor's family along.

19 **SECTION 8. AMENDMENT.** Section 47-18-01 of the North Dakota Century Code is  
20 amended and reenacted as follows:

21 **47-18-01. Homestead exemption - Area and value.** The homestead of any ~~person~~  
22 individual, whether married or unmarried, residing in this state ~~shall consist~~ consists of the land  
23 upon which the claimant resides, and the dwelling house on that land in which the homestead  
24 claimant resides, with all its appurtenances, and all other improvements on the land, the total  
25 not to exceed ~~eighty~~ one hundred thousand dollars in value, over and above liens or  
26 encumbrances or both. The homestead shall be exempt from judgment lien and from  
27 execution or forced sale, except as otherwise provided in this chapter. ~~In no case shall the~~ The  
28 homestead may not embrace different lots or tracts of land unless ~~they~~ the lots or tracts of land  
29 are contiguous. For purposes of this section, "contiguous" means two or more tracts of real  
30 property which share a common point or which would share a common point but for an  
31 intervening road or right of way.





1 year from the date of the conveyance, is entitled thereafter to the same protection against legal  
2 process as the law gives to the homestead.

3           **SECTION 12. REPEAL.** Section 28-22-04 of the North Dakota Century Code is  
4 repealed.