

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 1058*
Committee Substitute Favorable 5/12/09

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)~~ one hundred fifty thousand dollars (\$150,000) in
9 value, in real property or personal property that the debtor or a dependent of
10 the debtor uses as a ~~residence,~~ residence or in a cooperative that owns
11 property that the debtor or a dependent of the debtor uses as a ~~residence, or~~
12 ~~in a burial plot for the debtor or a dependent of the debtor; however, an~~
13 ~~unmarried debtor who is 65 years of age or older is entitled to retain an~~
14 ~~aggregate interest in the property not to exceed thirty seven thousand dollars~~
15 ~~(\$37,000) in value so long as the property was previously owned by the~~
16 ~~debtor as a tenant by the entirety or as a joint tenant with rights of~~
17 ~~survivorship and the former co-owner of the property is deceased.~~ residence.
18 (2) The debtor's aggregate interest in any property, not to exceed five thousand
19 dollars (\$5,000) in value of any unused exemption amount to which the
20 debtor is entitled under subdivision (1) of this subsection.
21 (3) The debtor's interest, not to exceed three thousand five hundred dollars
22 (\$3,500) in value, in one motor vehicle.
23 (4) The debtor's aggregate interest, not to exceed five thousand dollars (\$5,000)
24 in value for the debtor plus one thousand dollars (\$1,000) for each dependent
25 of the debtor, not to exceed four thousand dollars (\$4,000) total for
26 dependents, in household furnishings, household goods, wearing apparel,
27 appliances, books, animals, crops, or musical instruments, that are held
28 primarily for the personal, family, or household use of the debtor or a
29 dependent of the debtor.
30 (5) The debtor's aggregate interest, not to exceed two thousand dollars (\$2,000)
31 in value, in any implements, professional books, or tools of the trade of the
32 debtor or the trade of a dependent of the debtor.
33 (6) Life insurance as provided in Article X, Section 5 of the Constitution of
34 North Carolina.
35 (7) Professionally prescribed health aids for the debtor or a dependent of the
36 debtor.



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

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