

**SUBSTITUTE FOR
SENATE BILL NO. 408**

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
by amending sections 4011, 4012, 4015, 4031, 4061a, 6023, 6027,
6059, and 6104 (MCL 600.4011, 600.4012, 600.4015, 600.4031,
600.4061a, 600.6023, 600.6027, 600.6059, and 600.6104), section
4011 as amended and section 4061a as added by 1994 PA 346, section
4012 as amended by 2015 PA 14, and section 6023 as amended by 2012
PA 553, and by adding sections 4001a, 4032, 4033, 6001a, 6023b,
6023c, 6023d, 6023e, 6023f, and 6023g.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 **Sec. 4001a. As used in this chapter:**
2 **(a) "Consumer" means an individual.**
3 **(b) "Creditor" means a person to whom a debt is owed and**



1 includes a judgment creditor and any other person that obtains a
 2 garnishment or execution on a debt. As used in this subdivision,
 3 "execution" means that term as defined in section 6001a.

4 (c) "Earnings" means compensation paid or payable for personal
 5 services, whether denominated as wages, salary, commission, bonus,
 6 payment for skilled, personal, or professional services, or
 7 otherwise, whether earned as an employee or as an independent
 8 contractor, and includes spousal support.

9 (d) "Exempt" means that term as defined in section 6001a.

10 (e) "Garnishable earnings" means that part of the earnings of
 11 any individual remaining after the deduction from the earnings of
 12 any amounts required by law to be withheld, such as taxes, Social
 13 Security, or alternative pension and Medicare withholdings, and
 14 after further deduction of up to 15% of the remainder of the
 15 earnings for amounts withheld for contributions for health
 16 insurance or a medical expense account.

17 (f) "Garnishment" means a legal or equitable procedure through
 18 which the earnings, property, or money of an individual are
 19 required to be withheld by another person for payment of any debt
 20 to a creditor.

21 Sec. 4011. (1) Subject to ~~sections 4061 and 4061a, and the~~
 22 ~~conditions in the limitations in this chapter, including~~
 23 subsections (2) to (10), ~~the~~ a court has power ~~may~~ by garnishment
 24 ~~to~~ apply the following property or obligation, or both, to the
 25 satisfaction of a claim evidenced by contract, judgment of this
 26 state, or foreign judgment, whether or not ~~the~~ **this** state has
 27 jurisdiction over the person against whom the claim is asserted:

28 (a) Personal property belonging to the person against whom the
 29 claim is asserted but ~~which~~ **that** is in the possession or control of



1 a third person if the third person is subject to the judicial
2 jurisdiction of ~~the~~**this** state and the personal property to be
3 applied is within the boundaries of this state.

4 (b) An obligation owed to the person against whom the claim is
5 asserted if the obligor is subject to the judicial jurisdiction of
6 ~~the~~**this** state.

7 (2) Except as provided in sections 4061 and 4061a, the court
8 may exercise the jurisdiction granted in this section only in
9 accordance with the Michigan court rules. Except as otherwise
10 provided by sections 4061 and 4061a and the Michigan court rules,
11 ~~the~~**this** state and each governmental unit within ~~the~~**this** state,
12 including, but not limited to, a public, municipal, quasi-
13 municipal, or governmental corporation, unincorporated board,
14 public body, or political subdivision, may be proceeded against as
15 a garnishee in the same manner and with the same effect as a
16 proceeding against an individual garnishee.

17 (3) A writ of garnishment may be issued before judgment only
18 as provided in this subsection. ~~Upon~~**On** ex parte application
19 showing that the person against whom the claim is asserted is not
20 subject to the judicial jurisdiction of ~~the~~**this** state or, after
21 diligent effort, cannot be served with process as required to
22 subject the person to the judicial jurisdiction of ~~the~~**this** state,
23 a copy of the writ of garnishment ~~shall~~**must** be served ~~upon~~**on** the
24 person against whom the claim is made in the same manner as
25 provided by the Michigan court rules for service of process in
26 other civil actions in which personal jurisdiction over the
27 defendant is not required. ~~Upon~~**On** entry of judgment in the
28 principal action, the obligation or property garnished ~~shall~~**must**
29 be applied to the satisfaction of the judgment.



(4) A **person shall not commence a** garnishment proceeding ~~shall not be commenced against the~~**this** state or a governmental unit of ~~the~~**this** state, including, but not limited to, a public, municipal, quasi-municipal, or governmental corporation, unincorporated board, public body, or political subdivision, until after the plaintiff's claim has been reduced to judgment.

(5) A **person shall not commence a** garnishment proceeding ~~shall not be commenced against a~~**another** person for money owing to a defendant ~~on account~~**because** of labor performed by the defendant until after the plaintiff's claim has been reduced to judgment.

(6) A sheriff or other public officer is not subject to garnishment for money or things received or collected by ~~him or her~~ pursuant to **the sheriff or other public officer in carrying out** an execution or other legal process in the favor of the defendant or because of any money in ~~his or her~~**the sheriff's or other public officer's** hands for which ~~he or she~~**the sheriff or other public officer** is accountable merely as a public officer to the defendant.

(7) A **person shall not commence a** garnishment proceeding ~~shall not be commenced if the commencement of such a~~**the** proceeding is forbidden by a statute of this state.

(8) Except as otherwise provided in sections 4012 and 4061, a plaintiff shall pay a fee of \$1.00 to the garnishee at the time the garnishee is served with a writ of garnishment.

(9) If the court or garnishee possesses money or property ~~pursuant to~~**under** a writ of garnishment after the court releases the garnishee from liability under ~~that~~**the** writ, the court shall convey or order the conveyance of the money or property to any of the following, as the court determines appropriate:

(a) The defendant's attorney, if the defendant is represented



1 by counsel in the garnishment proceeding.

2 (b) The defendant, if the defendant is not represented by
3 counsel in the garnishment proceeding.

4 (c) The plaintiff.

5 (10) A writ of garnishment is not effective if both of the
6 following conditions are met:

7 (a) The plaintiff fails to provide the garnishee with
8 information sufficient for the garnishee to identify the defendant.

9 (b) The garnishee provides the court with written notice of
10 the insufficiency described in subdivision (a).

11 Sec. 4012. (1) A garnishment of periodic payments remains in
12 effect until the balance of the judgment is satisfied.

13 (2) A garnishee is not liable for a garnishment of periodic
14 payments under subsection (1) to the extent that the garnishee is
15 required to satisfy another garnishment against the same defendant
16 ~~having-that has~~ a higher priority or ~~having-that has~~ the same
17 priority but **is** received at an earlier date. For purposes of this
18 subsection, garnishments, **other than a garnishment described in**
19 **subdivision (a)**, have priority in the order in which they are
20 received. Both of the following have priority over a garnishment,
21 regardless of the order in which they are received:

22 (a) An order of ~~income withholding~~ **a court, including, but not**
23 **limited to, a garnishment, to enforce the payment of support**, as
24 that term is defined in section 2 of the support and parenting time
25 enforcement act, 1982 PA 295, MCL 552.602.

26 (b) A levy of this state or a governmental unit of this state
27 to satisfy a tax liability.

28 (3) If a garnishment of periodic payments is suspended
29 ~~pursuant to~~ **by** an order under sections 6201 to 6251 and the order



1 is subsequently set aside, the garnishment retains its priority.

2 (4) A garnishment of periodic payments or a notice of failure
3 is not valid or enforceable unless the garnishment is served on the
4 garnishee in accordance with the Michigan court rules.

5 (5) While a garnishment of periodic payments is in effect, the
6 plaintiff shall do both of the following:

7 (a) At least once every 6 months after the plaintiff receives
8 the first payment under the garnishment, provide to the garnishee
9 and defendant a statement setting forth the balance remaining on
10 the judgment, including interest and costs. A failure to send a
11 timely statement under this subdivision does not affect the
12 garnishment or any obligation of the garnishee under the
13 garnishment.

14 (b) Within 21 days after the balance of the judgment has been
15 paid in full, including all interest and costs, provide to the
16 garnishee and defendant a release of garnishment.

17 (6) A plaintiff shall not request that a default be entered
18 against a garnishee under a garnishment of periodic payments unless
19 both of the following apply:

20 (a) If the garnishee fails to file a disclosure within 14 days
21 after service of the garnishment or fails to perform any other
22 required act, the plaintiff has served on the garnishee a notice of
23 failure setting forth the required act or acts that the garnishee
24 has failed to perform.

25 (b) The garnishee has failed, within 28 days after the date of
26 service of the notice of failure under subdivision (a), to cure the
27 identified failure by mailing to the plaintiff and defendant a
28 disclosure certifying that the garnishee will immediately begin
29 withholding any available ~~funds pursuant to~~ **money in accordance**



1 **with** the garnishment as provided by statute or court rule, or has
2 commenced performing any other required act.

3 (7) The plaintiff shall attach to a request for entry of a
4 default as allowed under subsection (6) proof of serving the notice
5 of failure. The plaintiff shall send a copy of the request for
6 entry of a default by certified mail to the garnishee at the
7 garnishee's principal place of business or registered agent.

8 (8) After entry of a default under subsection (6) and before
9 entry of a default judgment, the garnishee may cure the identified
10 failure by mailing to the court, plaintiff, and defendant a
11 disclosure certifying that the garnishee will immediately begin
12 withholding any available ~~funds pursuant to~~ **money in accordance**
13 **with** the garnishment as provided by statute or court rule or that
14 it has commenced performing any other required act.

15 (9) After a default has been entered under subsection (6), the
16 plaintiff may file with the court a request for default judgment
17 for an amount that does not exceed the full amount of the unpaid
18 judgment, interest, and costs, as stated in the request and
19 garnishment. The plaintiff shall send a copy of the request for
20 default judgment by certified mail to the garnishee at the
21 garnishee's principal place of business or resident agent.

22 (10) On motion of the garnishee filed ~~within~~ **not later than** 21
23 days after entry of a default judgment under subsection (9), the
24 court shall do 1 or more of the following, as applicable:

25 (a) If the garnishee certifies by affidavit that its failure
26 to comply with the garnishment was inadvertent or caused by an
27 administrative error, mistake, or other oversight and it will
28 immediately begin withholding any available ~~funds~~ **money** or
29 immediately begin performing any other required act ~~pursuant to~~ **in**



1 **accordance with** the garnishment as provided by statute or court
2 rule, reduce the default judgment to not more than the amount that
3 would have been withheld if the garnishment had been in effect for
4 56 days.

5 (b) If any of the following circumstances exist, set aside the
6 default judgment:

7 (i) The garnishee was not liable to the defendant for any
8 periodic payments after service of the garnishment.

9 (ii) The garnishment, notice of failure, request for entry of a
10 default, or request for default judgment was not properly served or
11 sent as required by this section.

12 (iii) The notice of failure was materially inaccurate or
13 incomplete.

14 (11) A garnishee may recover an amount for which the garnishee
15 is liable because of the entry of a default judgment under
16 subsection (9) or (10) from future periodic payments to the
17 defendant as provided in section 7 of 1978 PA 390, MCL 408.477.

18 (12) Except as otherwise provided by statute, a plaintiff
19 shall pay a fee of \$35.00 to the garnishee at the time a
20 garnishment of periodic payments is served on the garnishee.

21 (13) This section does not apply to any of the following:

22 (a) An order of income withholding as that term is defined in
23 section 2 of the support and parenting time enforcement act, 1982
24 PA 295, MCL 552.602.

25 (b) A levy for tax liability.

26 (c) A levy under section 15(m) of the Michigan employment
27 security act, 1936 (Ex Sess) PA 1, MCL 421.15.

28 (14) As used in this section and section 8410a, "periodic
29 payments" means wages, salary, commissions, and other earnings,



land contract payments, rent, and other periodic debt or contract payments that are or become payable during the effective period of the garnishment. Periodic payments do not mean any of the following:

(a) Payments by a financial institution of interest on a deposit account.

(b) Charges made by a financial institution automatically against an account that are applied to a debt under an automatic payment authorization executed by the account owner.

(c) Payments made by a financial institution to honor a check or draft or to comply with an account holder's order of withdrawal of funds from an account.

(d) Interest earned on a certificate of deposit that is paid into a deposit account.

Sec. 4015. **(1)** A garnishee defendant shall not use the fact that the principal defendant has had 1 or more actions brought against ~~him~~ **the principal defendant** under ~~the provisions of this~~ chapter or section 8306 as a ~~cause of~~ **reason to** discipline ~~the~~ **principal defendant** or discharge ~~of~~ the principal defendant from employment **or from an independent contract, or as a reason to not hire or contract with the principal defendant.**

(2) ~~A~~ **On a motion filed in the action or in a separate civil action, a court shall enter a judgment against a** garnishee defendant who violates ~~the provisions of this section shall be required~~ **requiring the garnishee defendant to reinstate** ~~do all of~~ **the following:**

(a) Reinstate the principal defendant to employment. ~~and~~ **reimburse**

(b) Reimburse all compensation, **including wages, earnings, and**



1 **employment benefits, lost by**~~because of~~ the discipline, ~~or~~
 2 **discharge, or failure to hire or contract.** ~~The principal defendant~~
 3 ~~may enforce his rights under this section by appropriate civil~~
 4 ~~action.~~

5 **(c) Pay reasonable actual attorney fees and costs.**

6 Sec. 4031. (1) The provisions of ~~the~~**this act and any other**
 7 ~~statutes relating~~**that relate** to exemptions from execution, and the
 8 manner of levying ~~upon~~**on** property ~~belonging~~**that belongs** to a
 9 class or species in which exemptions are **allowed** by law, ~~allowed,~~
 10 ~~shall be applicable~~**apply** to the application of property and
 11 obligations to claims by attachment and garnishment.

12 (2) In ~~any~~**a** garnishment proceeding ~~where~~**in which** the
 13 indebtedness of the garnishee to the principal defendant is money
 14 owed to the principal defendant ~~on account~~**because** of

15 ~~(a) the sale to the garnishee of milk or cream, or both,~~
 16 ~~produced on the farm or farms of the principal defendant, the~~
 17 ~~garnishee's liability to the plaintiff is limited to 40% of such~~
 18 **the money. +**

19 ~~(b) personal labor performed by the principal defendant or his~~
 20 ~~family, the garnishee's liability to the plaintiff is limited by~~
 21 ~~the exemptions allowed under section 7511.~~

22 **Sec. 4032. (1) Subject to section 4061a, the money that a**
 23 **debtor receives as payment of any of the following is exempt from**
 24 **garnishment:**

25 **(a) Any means-tested public assistance benefits.**

26 **(b) Unemployment compensation benefits.**

27 **(c) Federal earned income tax credit under 26 USC 32.**

28 **(d) State tax credit under section 272 of the income tax act**
 29 **of 1967, 1967 PA 281, MCL 206.272, or a similar credit under a**



1 program of this state or a local unit of government providing an
2 earned income tax credit.

3 (e) Disability benefits.

4 (f) Worker's disability compensation benefits.

5 (2) A debtor's garnishable earnings are exempt and not subject
6 to garnishment, except that whichever of the following amounts is
7 smaller may be garnished:

8 (a) The debtor's garnishable earnings for the week that are
9 more than 35 times whichever of the following in effect at the time
10 is greater:

11 (i) The federal minimum hourly wage prescribed by 29 USC
12 206(a) (1) .

13 (ii) The state minimum hourly wage applicable to the debtor's
14 earnings under the workforce opportunity wage act, 2014 PA 138, MCL
15 408.411 to 408.424.

16 (b) Fifteen percent of the debtor's garnishable earnings for
17 the week.

18 (3) In calculating the amounts that are subject to garnishment
19 under subsection (2), if the debtor's pay period is longer than a
20 week, the amounts that are not subject to garnishment must be
21 adjusted pro rata.

22 (4) The amount of a debtor's garnishable earnings that can be
23 garnished for the support of a person is subject to the laws of
24 this state governing child support and spousal support.

25 (5) If more than 1 garnishment is served on a garnishee with
26 respect to the same debtor, the garnishee is liable under the
27 garnishments in the priority in section 4012(2). If a garnishment
28 with greater priority consumes the garnishable earnings that are
29 available for garnishment under this section, no part of the



1 debtor's garnishable earnings may be garnished under the
2 garnishment with lower priority.

3 (6) The protections for earnings provided in this section
4 apply to all debtors whose physical place of employment is in this
5 state, regardless of whether the debtor's employer has offices or
6 other places of business located outside this state.

7 Sec. 4033. (1) A financial institution that is holding money
8 of the debtor in a deposit account that is served with a
9 garnishment shall calculate the amount of money deposited into the
10 account in the 90 days preceding service that, based on information
11 provided to the financial institution by the payor, was deposited
12 from a source described in section 4032(1). The financial
13 institution shall include its calculations in its disclosure.

14 (2) The amount of money held in a deposit account as
15 calculated under subsection (1) must not be paid or ordered to be
16 paid to the plaintiff under the garnishment.

17 (3) A financial institution shall not charge a debtor a fee
18 for any actions taken by the financial institution in connection
19 with a garnishment served on the financial institution, unless the
20 fee is a reasonable fee that is disclosed by the financial
21 institution as part of the institution's regular fee schedule
22 provided to the institution's customers or members.

23 (4) If a plaintiff serves writs of garnishment on multiple
24 financial institutions and receives disclosures from more than 1
25 financial institution that the institutions are holding money of
26 the judgment debtor's in 1 or more deposit accounts, the plaintiff
27 shall calculate the amount of money in each account that is exempt
28 in whole or in part under section 6023(1)(r), the portion of an
29 exempt amount that is exempt under subsection (2) and the portion,



1 if any, that is exempt in excess of the exemption under subsection
 2 (2), and the amount in each account that is not exempt. The
 3 plaintiff shall file copies of the calculations and the disclosures
 4 on which they are based with the court and serve them on the
 5 judgment debtor and each of the financial institutions that are
 6 holding money of the judgment debtor's.

7 (5) If a judgment debtor does not file an objection to the
 8 calculations under subsection (4) with the court and serve the
 9 objections on a financial institution within 7 days after receiving
 10 the calculations, the financial institution may pay money held in a
 11 deposit account that is not exempt under the calculations in
 12 accordance with the writ of garnishment.

13 Sec. 4061a. (1) ~~The~~ **Subject to subsection (6),** the state
 14 treasurer shall intercept a state tax refund or credit that is
 15 subject to a writ of garnishment served ~~upon~~ **on** the state treasurer
 16 ~~pursuant to~~ **under** section 4061. ~~Upon~~ **On** intercepting a state tax
 17 refund or credit ~~pursuant to~~ **under** a writ of garnishment, the state
 18 treasurer shall do all of the following:

19 (a) Calculate the amount available from the interception to
 20 satisfy all or part of the garnishment, and ~~within~~ **not later than**
 21 90 days after establishing other liability for which the state tax
 22 refund or credit may be applied under section 30a of ~~Act No. 122 of~~
 23 ~~the Public Acts of 1941, being section~~ **1941 PA 122, MCL 205.30a,** ~~of~~
 24 ~~the Michigan Compiled Laws,~~ do both of the following:

25 (i) File with the court a verified disclosure that identifies
 26 the intercepted amount, less any setoff, counterclaim, or other
 27 demand of the state against the defendant.

28 (ii) Serve ~~upon~~ **on** the plaintiff and defendant a copy of the
 29 disclosure described in subparagraph (i).



(b) Unless notified by the court that objections to the writ of garnishment have been filed, deposit the amount available for the garnishment with either of the following ~~pursuant to~~ **in accordance with** the terms of the writ not less than 28 days after filing the disclosure ~~pursuant to~~ **under** subdivision (a):

(i) The clerk of the court.

(ii) The plaintiff's attorney of record in the garnishment action, or, if the plaintiff is not represented by counsel, the plaintiff or the plaintiff's designee.

(2) Objections to the writ of garnishment of a tax refund ~~shall~~ **must** be filed with the court ~~within~~ **not later than** 14 days after the date of service of the disclosure on the defendant.

(3) If an interception of a state tax refund or credit does not occur before October 31 of the year during which a writ of garnishment for a state tax refund or credit is to be processed, both of the following apply:

(a) The state treasurer is not required to provide to the defendant or file with the court a disclosure.

(b) The state treasurer is not required to provide to the plaintiff a disclosure unless the plaintiff provides the state treasurer with a written request for a disclosure between November 1 and December 31 of the tax year following the tax year for which ~~a~~ **the** writ of garnishment of a state tax refund or credit was filed.

(4) A disclosure described in subsection (1) is not required to be made under oath.

(5) ~~The~~ **This** state's liability to the plaintiff under a writ of garnishment issued under this section is limited to the amount of the tax refund or credit due to the defendant for the period the



writ is in effect, less **any tax credit identified under subsection (6) and** any setoff, counterclaim, or other demand of the state against the defendant. As used in this subsection, "state" includes the state treasurer.

(6) For a writ of garnishment served on the state treasurer after October 31, 2026, if the writ of garnishment is for the satisfaction of a judgment to recover a consumer debt, as that term is defined in section 6023g, the state treasurer shall, to the extent practicable, not intercept under subsection (1) any amount that is payment of a tax credit under section 272 of the income tax act of 1967, 1967 PA 281, MCL 206.272. This subsection does not affect any ability of this state to recover a setoff, a counterclaim, or other demand from the tax credit identified under this subsection.

(7) ~~(6)~~—If all or a portion of an intercepted state tax refund or credit is deposited with the clerk of the court under subsection (1), the court shall convey the deposited amount to the plaintiff's attorney of record in the garnishment action or, if the plaintiff is not represented by counsel, to the plaintiff.

(8) ~~(7)~~—Michigan court rules that do not conflict with this section or section 4061 govern a garnishment in which the state is a garnishee.

(9) ~~(8)~~—As used in this section, "state treasurer" includes an employee designated by the state treasurer to act on ~~his or her~~ **the state treasurer's** behalf.

Sec. 6001a. As used in this chapter:

(a) "Dependent" means an individual who relies in whole or in significant part on a debtor for support and maintenance.

(b) "Executing officer" means the officer appointed by the



1 court to implement an execution or order to seize property.

2 (c) "Execution" includes a levy or other disablement, freeze,
3 or seizure of property for debt collection or for restitution or
4 another equitable claim. Execution does not include self-help
5 repossession of collateral, the exercise of a right of setoff, or
6 any means of collecting a tax indebtedness available under 1941 PA
7 122, MCL 205.1 to 205.31. If there is a legal distinction between
8 setoff and offset, the term setoff includes an offset.

9 (d) "Exempt" means, unless otherwise specified, not subject to
10 execution. Money that is exempt remains exempt when it is paid or
11 transferred to the debtor, the debtor's spouse, partner,
12 beneficiary, or dependent or to an account for the benefit of the
13 debtor, the debtor's spouse, partner, beneficiary, or dependent.

14 (e) "Garnishment" means that term as defined in section 4001a.

15 (f) "Homestead" means 1 of the following owned or being
16 purchased under an executory contract by the debtor that the debtor
17 or a dependent of the debtor occupies as the debtor's or the
18 dependent's principal residence:

19 (i) If the land is located outside of a recorded plat, city, or
20 village, a residence and appurtenances and the land on which they
21 are situated, not exceeding 40 acres.

22 (ii) If the land is located within a recorded plat, city, or
23 village, a residence and appurtenances and the land on which they
24 are situated, not exceeding 1 lot or parcel.

25 (iii) A residence situated on land not owned by the debtor.

26 (iv) A condominium unit.

27 (v) A unit in a cooperative.

28 (vi) A motor home.

29 (vii) A boat or other watercraft.



(g) "Necessary property" means property that is or provisions that are reasonably essential to or needed for everyday living, including, but not limited to, any special needs because of health or physical or mental infirmity.

(h) "Residence" includes real or personal property, including a share in a residential cooperative, a beneficial interest in a trust applying to the property, or a manufactured home, that is owned individually or in any form of joint ownership by the debtor or the debtor's dependent, spouse, or domestic partner.

(i) "Resident" means a person living in this state temporarily or permanently.

(j) "Value" means current fair market value of accounts, goods, or property less the amount of any liens or security interests in the accounts, goods, or property, based on the price that would be paid, assuming a willing buyer and a willing seller, for accounts, goods, or property of similar age and condition. A debtor may testify as to the value of property the debtor owns.

Sec. 6023. (1) The following property of a judgment debtor and the judgment debtor's dependents is exempt from levy and sale under an execution:

(a) All family pictures, all arms and accouterments required by law to be kept by any ~~person~~**individual**, all wearing apparel ~~other than furs~~ of every ~~person~~**individual** and ~~his or her~~**the individual's** family, **all household pets, companion animals, and service animals**, and provisions and fuel for comfortable subsistence of each householder and ~~his or her~~**the householder's** family for 6 months.

(b) ~~All~~**The debtor's aggregate interest in** household goods, furniture, utensils, books, and appliances, not exceeding in value



1 ~~\$1,000.00.~~\$5,000.00.

2 (c) Unless subdivision (d) applies, the debtor's interest in 1
3 motor vehicle up to \$5,000.00 in value. As used in this
4 subdivision, "motor vehicle" does not include any of the following:

5 (i) A watercraft, as that term is defined in section 80301 of
6 the natural resources and environmental protection act, 1994 PA
7 451, MCL 324.80301.

8 (ii) A recreational vehicle, as that term is defined in section
9 49a of the Michigan vehicle code, 1949 PA 300, MCL 257.49a.

10 (iii) An ORV, as that term is defined in section 81101 of the
11 natural resources and environmental protection act, 1994 PA 451,
12 MCL 324.81101.

13 (iv) A snowmobile, as that term is defined in section 82101 of
14 the natural resources and environmental protection act, 1994 PA
15 451, MCL 324.82101.

16 (v) An aircraft, as that term is defined in section 2 of the
17 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.2.

18 (vi) A vehicle that is a registered historic vehicle under
19 section 803a or 803p of the Michigan vehicle code, 1949 PA 300, MCL
20 257.803a and 257.803p.

21 (d) If all of the following apply, the debtor's interest in 1
22 motor vehicle as described in subdivision (c), up to \$3,000.00 in
23 value:

24 (i) The writ of execution or order to seize property is issued
25 for a judgment for debt owed to a financial institution that was
26 not assigned by another person to the financial institution.

27 (ii) The financial institution made an offer in writing to the
28 judgment debtor to stipulate to an order for payments in
29 installments under chapter 62.



1 (iii) The debtor did not respond to the offer within 14 days or
2 rejected the offer.

3 (e) ~~(e)~~—A seat, pew, or slip occupied by the judgment debtor
4 or the judgment debtor's family in a house or place of public
5 worship, and all cemeteries, **cemetery lots**, tombs, and rights of
6 burial while in use as repositories of the dead of the judgment
7 debtor's family or kept for burial of the judgment debtor.

8 (f) ~~(d)~~—To each householder, 10 sheep, 2 cows, 5 swine, 100
9 hens, 5 roosters, and a sufficient quantity of hay and grain,
10 growing or otherwise, for properly keeping the animals and poultry
11 for 6 months, **or in the alternative and at the election of the**
12 **debtor, the debtor's aggregate interest, not to exceed \$10,000.00**
13 **in value, in crops, farm animals, and feed for the farm animals.**

14 (g) ~~(e)~~—The **debtor's aggregate interest in** tools, implements,
15 materials, stock, apparatus, team, ~~vehicle, motor vehicle, farm~~
16 **equipment, farm vehicles, construction equipment, construction**
17 **vehicles, commercial vehicles, limousines, taxicabs, horses,**
18 harness, or other things to enable ~~a person~~ **the debtor** to carry on
19 the profession, trade, occupation, or business in which the ~~person~~
20 **debtor** is principally engaged, not exceeding in value
21 ~~\$1,000.00~~ **\$10,000.00. As used in this subdivision, "limousine" and**
22 **"taxicab" mean those terms as defined in section 2 of the**
23 **limousine, taxicab, and transportation network company act, 2016 PA**
24 **345, MCL 257.2102.**

25 (h) The debtor's aggregate interest in computers, including,
26 but not limited to, mobile computing devices, mobile phones, and
27 computer accessories, not to exceed \$5,000.00.

28 (i) All professionally prescribed health aids.

29 (j) ~~(f)~~—Any money or other benefits paid, provided, or allowed



1 to be paid ~~, or provided, or allowed,~~ by any stock or mutual life
 2 or health or casualty insurance company, ~~on account~~ **because** of the
 3 disability ~~due to~~ **resulting from the** injury or sickness of the
 4 insured person, whether the debt or liability of ~~such~~ **the** insured
 5 person or beneficiary was incurred before or after the accrual of
 6 benefits under the insurance policy or contract, except that the
 7 exemption under this subdivision does not apply to actions to
 8 recover for necessities contracted for after the accrual of the
 9 benefits.

10 **(k)** ~~(g)~~ A homestead ~~of not more than 40 acres of land and the~~
 11 dwelling house and appurtenances on that homestead that is not
 12 included in a recorded plat, city, or village, or, at the option of
 13 the owner, a quantity of land that consists of not more than 1 lot
 14 that is within a recorded town plat, city, or village, and the
 15 dwelling house and appurtenances on that land, owned and occupied
 16 by any resident of this state, not exceeding in value \$3,500.00.
 17 This exemption applies to any house that is owned, occupied, and
 18 claimed as a homestead by a person but that is on land not owned by
 19 the person. However, this exemption does not apply to a mortgage on
 20 the homestead that is lawfully obtained. A mortgage is not valid
 21 for purposes of this subdivision without the signature of a married
 22 judgment debtor's spouse unless either of the following occurs:

23 ~~(i) The mortgage is given to secure the payment of the purchase~~
 24 ~~money or a portion of the purchase money.~~

25 ~~(ii) The mortgage is recorded in the office of the register of~~
 26 ~~deeds of the county in which the property is located, for a period~~
 27 ~~of 25 years, and no notice of a claim of invalidity is filed in~~
 28 ~~that office during the 25 years following the recording of the~~
 29 ~~mortgage.~~ **\$125,000.00 in value or, if the debtor or a dependent of**



1 the debtor is 65 years of age or older or disabled, not exceeding
2 \$200,000.00 in value.

3 (l) ~~(h)~~—An equity of redemption as described in section 6060.

4 (m) ~~(i)~~—The homestead of a family, after the death of the
5 owner of the homestead, from the payment of ~~his or her~~ **the owner's**
6 debts in all cases during the minority of ~~his or her~~ **the owner's**
7 children.

8 (n) ~~(j)~~—An individual retirement account or individual
9 retirement annuity as defined in section 408 or 408a of the
10 internal revenue code of 1986, 26 USC 408 and 408a, and the
11 payments or distributions from the account or annuity. This
12 exemption applies to the operation of the federal bankruptcy code
13 as permitted by section 522(b)(2) of the bankruptcy code, 11 USC
14 522. This exemption does not apply to any amounts contributed to
15 the individual retirement account or individual retirement annuity
16 if the contribution occurs within 120 days before the debtor files
17 for bankruptcy. This exemption does not apply to an individual
18 retirement account or individual retirement annuity to the extent
19 that any of the following occur:

20 (i) The individual retirement account or individual retirement
21 annuity is subject to an order of a court ~~pursuant to~~ **under** a
22 judgment of divorce or separate maintenance.

23 (ii) The individual retirement account or individual retirement
24 annuity is subject to an order of a court concerning child support.

25 (iii) Contributions to the individual retirement account or
26 premiums on the individual retirement annuity, including the
27 earnings or benefits from those contributions or premiums, exceed,
28 in the tax year made or paid, the deductible amount allowed under
29 section 408 of the internal revenue code of 1986, 26 USC 408. This



1 limitation on contributions does not apply to a rollover of a
 2 pension, profit-sharing, stock bonus, or other plan that is
 3 qualified under section 401 of the internal revenue code of 1986,
 4 26 USC 401, or an annuity contract under section 403(b) of the
 5 internal revenue code of 1986, 26 USC 403.

6 (o) ~~(k)~~—The right or interest of a person in a pension,
 7 profit-sharing, stock bonus, or other plan that is qualified under
 8 section 401 of the internal revenue code of 1986, 26 USC 401, or an
 9 annuity contract under section 403(b) of the internal revenue code
 10 of 1986, 26 USC 403, if the plan or annuity is subject to the
 11 employee retirement income security act of 1974, Public Law 93-406,
 12 88 Stat. —829. This exemption applies to the operation of the
 13 federal bankruptcy code, as permitted by section 522(b)(2) of the
 14 bankruptcy code, 11 USC 522. This exemption does not apply to any
 15 amount contributed to a pension, profit-sharing, stock bonus, or
 16 other qualified plan or a 403(b) annuity if the contribution occurs
 17 within 120 days before the debtor files for bankruptcy. This
 18 exemption does not apply to the right or interest of a person in a
 19 pension, profit-sharing, stock bonus, or other qualified plan or a
 20 403(b) annuity to the extent that the right or interest in the plan
 21 or annuity is subject to either of the following:

22 (i) An order of a court ~~pursuant to~~ **under** a judgment of divorce
 23 or separate maintenance.

24 (ii) An order of a court concerning child support.

25 (p) ~~(l)~~—Any interest in the following:

26 (i) A trust, fund, or advance tuition payment contract
 27 established under the Michigan education trust act, 1986 PA 316,
 28 MCL 390.1421 to 390.1442.

29 (ii) An account established under the Michigan education



savings program act, 2000 PA 161, MCL 390.1471 to 390.1486.

(iii) An account in a qualified tuition program or educational savings trust under section 529 or 530 of the internal revenue code of 1986, 26 USC 529 and 530.

(iv) An account established under the Michigan achieving a better life experience (ABLE) program act, 2015 PA 160, MCL 206.981 to 206.997.

(q) Any money paid or to be paid because the debtor or a dependent of the debtor was a crime victim.

(r) Money held in 1 or more deposit accounts with 1 or more financial institutions, not to exceed in total whichever of the following is greater:

(i) \$800.00.

(ii) The amount in the account, or amounts in the accounts, calculated as exempt under section 4033(1).

(2) The exemptions provided in this section do not extend to any mortgage of, lien on, setoff, or security interest in the exempt property that is excluded from exemption by law, or that is consensually given or lawfully obtained unless the lien is obtained by judgment, attachment, levy, or similar legal process in connection with a court action or proceeding against the debtor.

(3) If the owner of a homestead dies, leaving a surviving spouse but no children, the homestead is exempt, and the rents and profits of the homestead ~~shall~~ accrue to the benefit of the surviving spouse before ~~his or her~~ the surviving spouse's remarriage, unless the surviving spouse is the owner of a homestead in ~~his or her~~ the surviving spouse's own right.

Sec. 6023b. (1) The exemptions provided under this chapter are available to a resident and apply regardless of where the property



1 is located.

2 (2) In an action to collect a debt against an individual who
3 is not a resident, the court shall apply the exempt property laws
4 of the state with which the individual has the most significant
5 contacts.

6 Sec. 6023c. Only the judgment debtor's interest in property is
7 subject to execution or another creditor's remedy under this act.
8 If a judgment creditor is on notice, or is placed on notice by an
9 objection, that another person claims an interest in property with
10 or instead of the debtor, the judgment creditor must establish
11 through a hearing as described in section 6023g that the debtor's
12 share exceeds the amount protected by this section. A debtor's
13 interest in a joint bank or similar account is subject to any
14 ownership presumption created under law, and to the extent that a
15 presumption may be rebutted, is based on the debtor's contributions
16 to the account, as determined by the tracing rules in section
17 6023e, in order to protect the interest of the person that is not
18 the debtor. Each person with an interest in property may claim the
19 person's full exemption amount applicable to that type of property.

20 Sec. 6023d. The exemptions provided by this chapter do not
21 apply to any of the following:

22 (a) The enforcement of a support order or order of income
23 withholding as those terms are defined in section 2 of the support
24 and parenting time enforcement act, 1982 PA 295, MCL 552.602.

25 (b) The enforcement of a judgment regarding the division of
26 property between spouses or former spouses or domestic partners
27 entered by a court in accordance with an administrative or civil
28 procedure that is established by state or federal law, that affords
29 substantial due process, and that is subject to judicial review.



1 (c) A levy of the federal government, or of this state or a
2 governmental unit of this state, to satisfy a tax liability.

3 (d) A levy under section 15(m) of the Michigan employment
4 security act, 1936 (Ex Sess) PA 1, MCL 421.15.

5 Sec. 6023e. (1) Money received from the sale or transfer of
6 property that was, before the sale or transfer, exempt or partially
7 exempt under this chapter or other law remains exempt to the extent
8 of the previously available exemption for 18 months while in the
9 debtor's possession, in a checking or similar account, in a savings
10 account, or in a certificate of deposit with a term that does not
11 extend past the 18 months.

12 (2) If property, or a part of property, that could have been
13 claimed as exempt or partially exempt has been taken by
14 condemnation or has been lost, damaged, or destroyed and the owner
15 has been compensated or indemnified for the taking, loss, damage,
16 or destruction of the property, the traceable proceeds are exempt
17 to the extent of the previously available exemption for 18 months
18 after the proceeds are received.

19 (3) If money received from the sale, transfer, taking, loss,
20 damage, or destruction of an exempt asset is transferred out of an
21 account into which it was originally deposited on receipt, it does
22 not retain the exemption unless it is converted into another type
23 of exempt property or exempt asset.

24 (4) Money or other property and proceeds that are exempt under
25 this chapter or other law of this state are traceable under this
26 section by application of the first-in, first-out rule.

27 Sec. 6023f. (1) Except as provided in subsection (2), on an
28 adjustment date, the state treasurer shall adjust each dollar
29 amount in this chapter or, for each adjustment after the first



1 adjustment date, the most recent adjusted amount, by an amount
2 determined by the state treasurer to reflect the cumulative change
3 in the Consumer Price Index for the adjustment period and rounded
4 to the nearest \$25.00. The state treasurer shall publish the
5 adjusted amounts. The adjusted amounts apply to cases filed after
6 March 31 following the adjustment date.

7 (2) On an adjustment date, or as soon as practicable based on
8 the availability of the home price index, the state treasurer shall
9 adjust the dollar amounts in section 6023(1)(k) or, for each
10 adjustment after the first adjustment date, the most recent
11 adjusted amounts, by amounts determined by the state treasurer to
12 reflect the cumulative change in the home price index for the
13 adjustment period and rounded to the nearest \$25.00. The state
14 treasurer shall publish the adjusted amounts. The adjusted amounts
15 apply to cases filed after March 31 following the adjustment date.

16 (3) As used in this section:

17 (a) "Adjustment date" means March 1 of every third year after
18 the year in which the amendatory act that added this section takes
19 effect.

20 (b) "Adjustment period" means the 3-year period ending on
21 December 31 preceding the adjustment date.

22 (c) "Consumer Price Index" means the Consumer Price Index for
23 all urban consumers in the area of Detroit-Warren-Dearborn,
24 Michigan, published by the United States Department of Labor or, if
25 the United States Department of Labor ceases publishing that index,
26 the most similar index available.

27 (d) "Home price index" means the FHFA Expanded Data House
28 Price Index for the United States, calculated and published by the
29 Federal Housing Finance Agency, or, if that index is no longer



1 calculated and published, the most similar index available.

2 Sec. 6023g. (1) A person shall not levy execution or attach
3 property unless appointed by the court and executing the court's
4 writ or order to seize property that states the value of property
5 to be seized and the manner of levy.

6 (2) On entry of a judgment in an action to collect a consumer
7 debt, the clerk of the court shall mail a notice to the last known
8 address of each judgment debtor stating that the judgment debtor is
9 responsible for paying the judgment but that the court will not
10 require it to be paid with exempt income, assets, or property. The
11 notice must also provide information about how the debtor may file
12 a request for installment payments. The clerk shall note the
13 address to which the notice is mailed in the record. If the notice
14 is returned undelivered, the clerk shall also note that in the
15 record.

16 (3) When a judgment creditor obtains a writ of execution or
17 order to seize property, the clerk of the court, court officer,
18 sheriff, or other agent of the court shall give a notice in the
19 form prescribed by the court to the judgment debtor and to any
20 person in possession of the property involved. The notice must
21 state the person's right to a hearing to claim exemptions that are
22 not self-executing, to contest the seizure of exempt or necessary
23 property, or to seek to set aside the judgment, and the steps the
24 person may take to assert these rights. If documents are served on
25 the person in connection with the execution, this notice must be
26 included with the documents, but otherwise it must be given by
27 first-class mail.

28 (4) At the time a judgment creditor subpoenas an individual
29 for an examination under section 6110, the judgment creditor shall



1 also provide a notice in a form prescribed by the court that the
2 debtor is responsible for paying the judgment, that the court will
3 not require the judgment to be paid with exempt income, assets, or
4 property, and that the individual has the right to a hearing to
5 claim exemptions, to contest the seizure of exempt or necessary
6 property, or to seek to set aside the judgment.

7 (5) The state court administrative office, acting under the
8 direction of the supreme court, shall develop and make publicly
9 available notices required under subsections (2) to (4), and (6).

10 The notices must list the most common federal and state exemptions,
11 give examples of income, assets, and property that are commonly
12 exempt, and list sources of additional related information, such as
13 this state's law libraries or the court's website. The notices must
14 also state that the judgment debtor may file a motion to set aside
15 the judgment and must list the most common grounds for such a
16 motion, including improper service or active duty military service
17 at the time of the suit.

18 (6) If an item of property falls into a category that is fully
19 exempt under this chapter or for which the exemption depends on its
20 value, or if an exemption depends on the judgment debtor's
21 designation of the property to which the exemption will apply but
22 the exemption appears to the executing officer to be sufficient to
23 exempt all of the judgment debtor's property, the executing officer
24 shall report that fact to the court and the judgment creditor and
25 shall not execute on the property. The property is presumed to be
26 fully exempt unless the judgment creditor requests and obtains a
27 hearing and establishes that the property does not fall into a
28 fully exempt category or includes significant value in excess of
29 the amount exempt, or that the exemption is not sufficient to



1 exempt all of the judgment debtor's property. The judgment creditor
2 must request the hearing not later than 21 business days after the
3 executing officer's report. Notice of the hearing in a form
4 prescribed by the court must be mailed to or otherwise served on
5 the debtor and describe the steps the debtor may take to contest
6 the judgment creditor's claim as to the value of the property. The
7 debtor may contest the judgment creditor's claim by appearing in
8 person or through an attorney.

9 (7) If an exemption under this chapter depends on the judgment
10 debtor's designation of the property to which the exemption will
11 apply, and the exemption does not appear to the executing officer
12 to be sufficient to exempt all of the judgment debtor's property,
13 the executing officer shall provide the judgment debtor a form and
14 written instructions, developed and made publicly available by the
15 state court administrative office acting under the direction of the
16 supreme court, for designating the property to which the exemption
17 will apply. If the debtor does not file the designation with the
18 court within 7 business days after receiving the form, the
19 executing officer shall designate the items that will be exempt. If
20 the debtor files a designation, the clerk of the court shall notify
21 the judgment creditor. The items designated by the judgment debtor
22 are presumed to be exempt unless the judgment creditor requests a
23 hearing not later than 10 business days after the clerk's
24 notification and establishes at the hearing that the value of the
25 property exceeds the exemption. The hearing must be conducted as
26 set forth in subsection (6).

27 (8) The state court administrative office, acting under the
28 direction of the supreme court, shall develop and make publicly
29 available notices to garnishees that describe the exemptions



1 applicable to particular types of garnishment. The forms shall
 2 instruct the garnishee not to turn over money or other property
 3 that the garnishee can reasonably identify as exempt, but instead
 4 to report back that the money or property is exempt.

5 (9) If a judgment creditor obtains a writ of execution or
 6 order to seize property, the debtor is entitled to a prompt hearing
 7 to claim exemptions, to contest the seizure of exempt property, or
 8 to seek to set aside the judgment.

9 (10) Costs incurred in making, or proposing to make, a levy on
 10 property must be paid out of the proceeds of a sale of the property
 11 if a sale occurs. If the proceeds of a sale of the property are
 12 insufficient to cover the costs incurred in the levy, garnishment,
 13 or attachment, the judgment creditor shall pay the costs and may
 14 not recover them from the debtor or the garnishee, notwithstanding
 15 any agreement of the parties to the contrary.

16 (11) As used in this section, "consumer debt" means an
 17 obligation or alleged obligation of a consumer to pay money arising
 18 out of a transaction in which the money, property, insurance, or
 19 services that are the subject of the transaction are primarily for
 20 personal, family, or household purposes, whether or not the
 21 obligation has been reduced to judgment.

22 Sec. 6027. If the homestead of any debtor is appraised at a
 23 value of more than ~~\$3,500.00~~, **the exemption available under this**
 24 **chapter** and cannot be divided, the debtor ~~shall~~**does** not for that
 25 reason lose the benefit of the exemption. ~~; but in such cases the~~
 26 **The officer who levies the execution** shall deliver a notice,
 27 attached to a copy of the appraisal, to the debtor or to ~~some of~~
 28 ~~his~~**a member of the debtor's** family of suitable age to understand
 29 the nature ~~thereof~~, **of the notice** that unless the debtor ~~pay~~**pays**



1 the officer the surplus over and above the ~~\$3,500.00, exemption~~
 2 **available under this chapter** or the amount due on the execution
 3 within 60 days thereafter, ~~after delivery of the notice,~~ the
 4 premises will be sold.

5 Sec. 6059. ~~(1) In case~~ **If** the surplus, or the amount due on
 6 the execution or judgment, is not paid according to ~~the provisions~~
 7 ~~of section 6027, of this chapter, it shall be lawful for the~~
 8 officer ~~to~~ **may** advertise and sell the ~~said~~ premises, and **pay to the**
 9 **debtor** out of the proceeds of ~~said~~ the sale ~~to pay such debtor the~~
 10 ~~sum of \$3,500.00, which shall be exempt from execution for 1 year~~
 11 ~~thereafter, amount of the exemption available under this chapter,~~
 12 and apply the balance on ~~said~~ the execution.

13 ~~(2) No~~ **A** sale may **not** be made ~~in the case last mentioned,~~
 14 **under this section** unless ~~a~~ **an amount** greater ~~sum~~ than \$3,500.00
 15 **the exemption available under this chapter** is bid ~~therefor, for the~~
 16 **property.** ~~in which case~~ **If** an amount greater than the available
 17 **exemption is not bid,** the officer may return ~~said~~ the execution ~~for~~
 18 ~~want of property, unsatisfied~~ or report the facts to the court ~~in~~
 19 ~~which said that entered the judgment was rendered, as the case may~~
 20 ~~require.~~ **as required.**

21 **(3) An amount paid to the debtor under this section remains**
 22 **exempt under this chapter in the same manner as money received from**
 23 **the sale or transfer of property under section 6023e(1).**

24 Sec. 6104. **(1)** After judgment for money has been ~~rendered~~
 25 **entered** in an action in ~~any~~ **a** court of this state, the judge may,
 26 on motion in ~~that~~ the action or in a subsequent proceeding, **do any**
 27 **of the following:**

28 **(a)** ~~(1)~~ **Compel** ~~a~~ discovery of any property or things in action
 29 belonging to a judgment debtor, and of any property, money, or



1 things in action due to ~~him,~~ or held in trust for ~~him,~~ **the judgment**
 2 **debtor.**

3 (b) ~~(2)~~ Prevent the transfer, **payment, or delivery** of any
 4 property, money, or things in action, ~~, or the payment or delivery~~
 5 ~~thereof~~ to the judgment debtor. ~~+~~

6 (c) ~~(3)~~ Order ~~the~~ satisfaction of the judgment out of
 7 property, money, or other things in action, liquidated or
 8 unliquidated, **that are** not exempt from execution. ~~+~~

9 (d) ~~(4)~~ Appoint a receiver of any property the judgment debtor
 10 has or may ~~thereafter~~ acquire. ~~+~~ and

11 (e) ~~(5)~~ Make any order ~~as within his~~ **that in the judge's**
 12 discretion seems appropriate ~~in regard to carrying~~ **carry** out the
 13 full intent and purpose of ~~these provisions~~ **this chapter** to subject
 14 any nonexempt assets of ~~any a~~ judgment debtor to the satisfaction
 15 of ~~any a~~ judgment against the judgment debtor.

16 (2) The court may permit the proceedings under this chapter to
 17 be taken although execution may not issue and **although** other
 18 proceedings may not be taken for the enforcement of the judgment.
 19 **However, the court may not permit proceedings under this chapter if**
 20 **the result would be to allow the enforcement of the judgment in a**
 21 **manner that is otherwise expressly prohibited under this act or**
 22 **that would result in the evasion of express prohibitions under this**
 23 **act.**

24 (3) It is not necessary that execution be returned unsatisfied
 25 before proceedings under this chapter are commenced.

26 Enacting section 1. This amendatory act takes effect 180 days
 27 after the date it is enacted into law.

