

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 929**

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**Introduced by Assembly Member Wieckowski**

February 18, 2011

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*An act to amend Sections 703.140 and 704.730 of the Code of Civil Procedure, relating to debtor exemptions.*

LEGISLATIVE COUNSEL'S DIGEST

AB 929, as amended, Wieckowski. Debtor exemptions: bankruptcy.

Existing law identifies property of a debtor that is exempt from all procedures for enforcement of a money judgment. Under existing law, those exemptions are available to a debtor in a federal bankruptcy case, whether a money judgment is being enforced by execution sale or other procedure, ~~or the debtor may instead elect certain specified exemptions unless the debtor elects certain alternative exemptions.~~ Existing law requires the Judicial Council to, every 3 years, adjust the amount of the exemptions applicable to that exempt property based on the change in the annual California Consumer Price Index for All Urban Consumers, and to prepare conforming forms for those adjustments.

~~This bill would express the intent of the Legislature to enact legislation to revise the exemption process for debtors in bankruptcy proceedings.~~

*This bill would revise and recast those alternative exemption provisions and would, among other things, increase the exemption available for the debtor's interest in motor vehicles; jewelry, heirlooms, and works of art; and tools and other items used in the debtor's trade, business, or profession or in the trade, business, or profession of the debtor's spouse. The bill would revise the alternative exemption provisions relating to household furnishings, life insurance contracts,*

wrongful death and personal injury actions, unemployment compensation payments, and cemetery plots and would add to those alternative exemption provisions exemptions for workers' compensation benefits, specified aid payments and relocation benefits, and financial aid for higher education.

Existing law provides an exemption from enforcement of a money judgment for a homestead, as defined, in specified amounts.

This bill would increase the amounts of the homestead exemption.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 703.140 of the Code of Civil Procedure  
2 is amended to read:

3 703.140. (a) In a case under Title 11 of the United States Code,  
4 all of the exemptions provided by this chapter, including the  
5 homestead exemption, other than the provisions of subdivision (b)  
6 are applicable regardless of whether there is a money judgment  
7 against the debtor or whether a money judgment is being enforced  
8 by execution sale or any other procedure, but the exemptions  
9 provided by subdivision (b) may be elected in lieu of all other  
10 exemptions provided by this chapter, as follows:

11 (1) If a husband and wife are joined in the petition, they jointly  
12 may elect to utilize the applicable exemption provisions of this  
13 chapter other than the provisions of subdivision (b), or to utilize  
14 the applicable exemptions set forth in subdivision (b), but not both.

15 (2) If the petition is filed individually, and not jointly, for a  
16 husband or a wife, the exemptions provided by this chapter other  
17 than the provisions of subdivision (b) are applicable, except that,  
18 if both the husband and the wife effectively waive in writing the  
19 right to claim, during the period the case commenced by filing the  
20 petition is pending, the exemptions provided by the applicable  
21 exemption provisions of this chapter, other than subdivision (b),  
22 in any case commenced by filing a petition for either of them under  
23 Title 11 of the United States Code, then they may elect to instead  
24 utilize the applicable exemptions set forth in subdivision (b).

25 (3) If the petition is filed for an unmarried person, that person  
26 may elect to utilize the applicable exemption provisions of this

1 chapter other than subdivision (b), or to utilize the applicable  
2 exemptions set forth in subdivision (b), but not both.

3 (b) The following exemptions may be elected as provided in  
4 subdivision (a):

5 (1) The debtor's aggregate interest, not to exceed seventeen  
6 thousand four hundred twenty-five dollars (\$17,425) in value, in  
7 real property or personal property that the debtor or a dependent  
8 of the debtor uses as a residence, *or* in a cooperative that owns  
9 property that the debtor or a dependent of the debtor uses as a  
10 residence, ~~or in a burial plot for the debtor or a dependent of the~~  
11 ~~debtor.~~

12 (2) (A) ~~The debtor's interest, not to exceed two thousand seven~~  
13 ~~hundred seventy-five dollars (\$2,775) in value, in one motor~~  
14 ~~vehicle: four thousand eight hundred dollars (\$4,800) in any~~  
15 ~~combination of the following:~~

- 16 (i) *The aggregate equity in motor vehicles.*
- 17 (ii) *The proceeds of an execution sale of a motor vehicle.*
- 18 (iii) *The proceeds of insurance or other indemnification for the*  
19 *loss, damage, or destruction of a motor vehicle.*

20 (B) *Proceeds under subparagraph (A) are exempt for a period*  
21 *of 90 days after the proceeds are actually received by the debtor.*

22 (C) *For the purpose of determining the equity in a motor vehicle,*  
23 *the fair market value of the vehicle shall be determined by*  
24 *reference to used car price guides customarily used by California*  
25 *automobile dealers, unless the motor vehicle is not listed in those*  
26 *price guides.*

27 (D) *If the debtor has only one motor vehicle and it is sold at an*  
28 *execution sale, the proceeds of the sale, up to four thousand eight*  
29 *hundred dollars (\$4,800), are exempt without making a claim. The*  
30 *levying officer shall consult and may rely upon the records of the*  
31 *Department of Motor Vehicles in determining whether the debtor*  
32 *has only one motor vehicle. In a case covered by this*  
33 *subparagraph, the exemption provided in subparagraph (A) is not*  
34 *available.*

35 (3) The debtor's interest, not to exceed four hundred fifty dollars  
36 (\$450) in value in any particular item, in household furnishings,  
37 household goods, wearing apparel, appliances, books, animals,  
38 crops, or musical instruments, that are held primarily for the  
39 personal, family, or household use of the debtor or a dependent of  
40 the ~~debtor~~ debtor, *subject to the following:*

1 (A) (i) *The item is ordinarily and reasonably necessary to, and*  
 2 *personally used or procured for use by, the debtor or members of*  
 3 *the debtor’s family at the debtor’s principal place of residence.*  
 4 (ii) *If the debtor and his or her spouse live separate and apart,*  
 5 *the item is ordinarily and reasonably necessary to, and personally*  
 6 *used or procured for use by, the spouse or members of the spouse’s*  
 7 *family at the spouse’s principal place of residence.*  
 8 (B) *To determine whether an item is ordinarily and reasonably*  
 9 *necessary under subparagraph (A), the court shall take into*  
 10 *account both of the following:*  
 11 (i) *The extent to which the particular type of item is ordinarily*  
 12 *found in a household.*  
 13 (ii) *Whether the particular item has extraordinary value as*  
 14 *compared to the value of items of the same type in other*  
 15 *households.*  
 16 (C) *If an item of property for which an exemption is claimed*  
 17 *pursuant to this paragraph is determined to not be exempt because*  
 18 *it has extraordinary value as compared to the value of items of the*  
 19 *same type found in other households, the proceeds obtained at an*  
 20 *execution sale of the item are exempt in the amount determined*  
 21 *by the court to be a reasonable amount sufficient to purchase a*  
 22 *replacement of ordinary value, if the court determines that a*  
 23 *replacement is reasonably necessary.*  
 24 (D) *Proceeds exempt under this paragraph are exempt for a*  
 25 *period of 90 days after the proceeds are actually received by the*  
 26 *debtor.*  
 27 (4) *The debtor’s aggregate interest, not to exceed ~~one thousand~~*  
 28 *~~one hundred fifty five thousand~~ dollars (~~\$1,150~~) (\$5,000) in value,*  
 29 *in jewelry, heirlooms, and works of art held primarily for the*  
 30 *personal, family, or household use of the debtor or a dependent of*  
 31 *the debtor.*  
 32 (5) *The debtor’s aggregate interest, not to exceed in value nine*  
 33 *hundred twenty-five dollars (\$925) plus any unused amount of the*  
 34 *exemption provided under paragraph (1), in any property.*  
 35 (6) (A) *The debtor’s aggregate interest, ~~not to exceed one~~*  
 36 *~~thousand seven hundred fifty~~ dollars (~~\$1,750~~) in value, in any*  
 37 *implements, professional books, or tools of the trade of the debtor*  
 38 *or the trade of a dependent of the debtor. ~~in tools, implements,~~*  
 39 *~~instruments, materials, uniforms, furnishings, books, equipment,~~*  
 40 *one commercial motor vehicle, one vessel, and other personal*

1 *property are exempt to the extent that the aggregate equity in those*  
2 *items does not exceed the following:*

3 *(i) Six thousand seventy-five dollars (\$6,075), if reasonably*  
4 *necessary to and actually used by the debtor in the exercise of the*  
5 *trade, business, or profession by which the debtor earns a*  
6 *livelihood.*

7 *(ii) Six thousand seventy-five dollars (\$6,075), if reasonably*  
8 *necessary to and actually used by the spouse of the debtor in the*  
9 *exercise of the trade, business, or profession by which the spouse*  
10 *earns a livelihood.*

11 *(iii) Twice the amount of the exemption provided in clause (ii),*  
12 *if reasonably necessary to and actually used by the debtor and by*  
13 *the spouse of the debtor in the exercise of the same trade, business,*  
14 *or profession by which both earn a livelihood. In the case covered*  
15 *by this clause, the exemptions provided in clauses (i) and (ii) are*  
16 *not available.*

17 *(B) If property described in subparagraph (A) is sold at an*  
18 *execution sale, or if it has been lost, damaged, or destroyed, the*  
19 *proceeds of the execution sale or of insurance or other*  
20 *indemnification are exempt for a period of 90 days after the*  
21 *proceeds are actually received by the debtor or the debtor's spouse.*  
22 *The amount exempt under this subparagraph is the amount*  
23 *specified in subparagraph (A) that applies to the particular case*  
24 *less the aggregate equity of any other property to which the*  
25 *exemption provided by subparagraph (A) for the particular case*  
26 *has been applied.*

27 *(C) Notwithstanding subparagraph (A), a motor vehicle is not*  
28 *exempt under subparagraph (A) if there is a motor vehicle exempt*  
29 *under paragraph (2) which is reasonably adequate for use in the*  
30 *trade, business, or profession for which the exemption is claimed*  
31 *under this paragraph.*

32 *(D) Notwithstanding subparagraphs (A) and (B):*

33 *(i) The amount of the exemption for a commercial motor vehicle*  
34 *under clause (i) or (ii) of subparagraph (A) is limited to four*  
35 *thousand eight hundred fifty dollars (\$4,850).*

36 *(ii) The amount of the exemption for a commercial motor vehicle*  
37 *under clause (iii) of subdivision (A) is limited to twice the amount*  
38 *of the exemption provided in clause (i) of this subparagraph.*

1 (7) Any unmatured life insurance contract owned by the debtor,  
2 other than a credit life insurance ~~contract~~. *contract, subject to the*  
3 *following:*

4 ~~(8) The debtor's aggregate interest, not to exceed in value nine~~  
5 ~~thousand three hundred dollars (\$9,300), in any accrued dividend~~  
6 ~~or interest under, or loan value of, any unmatured life insurance~~  
7 ~~contract owned by the debtor under which the insured is the debtor~~  
8 ~~or an individual of whom the debtor is a dependent.~~

9 (A) *Unmatured life insurance contracts, including endowment*  
10 *and annuity contracts, but not the loan value of those contracts,*  
11 *are exempt without making a claim.*

12 (B) *The aggregate loan value of unmatured life insurance*  
13 *contracts, including endowment and annuity policies, is exempt*  
14 *in the amount of nine thousand seven hundred dollars (\$9,700).*  
15 *If the debtor is married, each spouse is entitled to a separate*  
16 *exemption under this subparagraph and the exemption of the*  
17 *spouses may be combined, regardless of whether the policies*  
18 *belong to either or both spouses and regardless of whether the*  
19 *spouse of the debtor is also a debtor in the case.*

20 (C) *Benefits from matured life insurance contracts, including*  
21 *endowment and annuity contracts, are exempt to the extent*  
22 *reasonably necessary for the support of the debtor and the spouse*  
23 *and dependents of the debtor.*

24 ~~(9)~~

25 (8) Professionally prescribed health aids for the debtor or a  
26 dependent of the debtor.

27 ~~(10)~~

28 (9) The debtor's right to receive any of the following:

29 (A) A social security benefit, unemployment compensation, or  
30 a local public assistance benefit.

31 (B) A veterans' benefit.

32 (C) A disability, illness, or unemployment benefit.

33 (D) Alimony, support, or separate maintenance, to the extent  
34 reasonably necessary for the support of the debtor and any  
35 dependent of the debtor.

36 (E) A payment under a stock bonus, pension, profit-sharing,  
37 annuity, or similar plan or contract on account of illness, disability,  
38 death, age, or length of service, to the extent reasonably necessary  
39 for the support of the debtor and any dependent of the debtor,  
40 unless all of the following apply:

1 (i) That plan or contract was established by or under the auspices  
2 of an insider that employed the debtor at the time the debtor's  
3 rights under the plan or contract arose.

4 (ii) The payment is on account of age or length of service.

5 (iii) That plan or contract does not qualify under Section 401(a),  
6 403(a), 403(b), 408, or 408A of the Internal Revenue Code of  
7 1986.

8 *(F) Public retirement benefits as described in Section 704.110*  
9 *or private retirement plan benefits as described in Section 704.115.*

10 *(G) Vacation credits as described in Section 704.113.*

11 *(H) Service of earnings assignment orders for support as*  
12 *described in Section 704.114.*

13 ~~(H)~~

14 *(I) The debtor's right to receive, or property that is traceable*  
15 *to, any of the following:*

16 *(A) An award under a crime victim's reparation law.*

17 ~~*(B) A payment on account of the wrongful death of an individual*~~  
18 ~~*of whom the debtor was a dependent, to the extent reasonably*~~  
19 ~~*necessary for the support of the debtor and any dependent of the*~~  
20 ~~*debtor.*~~

21 ~~*(C) A payment under a life insurance contract that insured the*~~  
22 ~~*life of an individual of whom the debtor was a dependent on the*~~  
23 ~~*date of that individual's death, to the extent reasonably necessary*~~  
24 ~~*for the support of the debtor and any dependent of the debtor.*~~

25 ~~*(D) A payment, not to exceed seventeen thousand four hundred*~~  
26 ~~*twenty-five dollars (\$17,425), on account of personal bodily injury,*~~  
27 ~~*not including pain and suffering or compensation for actual*~~  
28 ~~*pecuniary loss, of the debtor or an individual of whom the debtor*~~  
29 ~~*is a dependent.*~~

30 ~~*(E) A payment in compensation of loss of future earnings of*~~  
31 ~~*the debtor or an individual of whom the debtor is or was a*~~  
32 ~~*dependent, to the extent reasonably necessary for the support of*~~  
33 ~~*the debtor and any dependent of the debtor.*~~

34 *(i) Except as provided in Article 5 (commencing with Section*  
35 *708.410) of Chapter 6, a cause of action for wrongful death is*  
36 *exempt without making a claim.*

37 *(ii) Except as provided in clause (iii), an award of damages or*  
38 *a settlement arising out of the wrongful death of the debtor's*  
39 *spouse or a person on whom the debtor or the debtor's spouse was*

1 *dependent is exempt to the extent reasonably necessary for support*  
2 *of the debtor and the spouse and dependents of the debtor.*

3 *(iii) If an award of damages or a settlement arising out of the*  
4 *wrongful death of the debtor's spouse or a person on whom the*  
5 *debtor or the debtor's spouse was dependent is payable*  
6 *periodically, the amount of the periodic payment that shall not be*  
7 *exempt is the amount that may be withheld from a like amount of*  
8 *earnings under Chapter 5 (commencing with Section 706.010).*

9 *(B) (i) Before payment, benefits from a disability or health*  
10 *insurance policy or program are exempt without making a claim.*  
11 *After payment, the benefits are exempt. This subparagraph does*  
12 *not apply to benefits that are paid or payable to cover the cost of*  
13 *health care if the creditor is a provider of health care whose claim*  
14 *is the basis on which the benefits are paid or payable.*

15 *(ii) During the payment of disability benefits described in this*  
16 *subparagraph to a debtor under a support judgment, the judgment*  
17 *creditor or local child support agency may seek to apply the benefit*  
18 *payments to satisfy the judgment by an earnings assignment order*  
19 *for support, as defined in Section 706.011, or any other applicable*  
20 *enforcement procedure, but the amount to be withheld pursuant*  
21 *to the earnings assignment order or other procedure shall not*  
22 *exceed the amount permitted to be withheld on an earnings*  
23 *assignment order for support under Section 706.052.*

24 *(11) (A) Except as provided in Article 5 (commencing with*  
25 *Section 708.410) of Chapter 6, a cause of action for personal injury*  
26 *is exempt without making a claim.*

27 *(B) Except as provided in subparagraphs (C) and (D), an award*  
28 *of damages or a settlement arising out of personal injury is exempt*  
29 *to the extent necessary for the support of the debtor and the spouse*  
30 *and dependents of the debtor.*

31 *(C) Subparagraph (B) does not apply if the judgment creditor*  
32 *is a provider of health care whose claim is based on the providing*  
33 *of health care for the personal injury for which the award or*  
34 *settlement was made.*

35 *(D) If an award of damages or a settlement arising out of*  
36 *personal injury is payable periodically, the amount of the periodic*  
37 *payment that shall not be exempt is the amount that may be*  
38 *withheld from a like amount of earnings under Chapter 5*  
39 *(commencing with Section 706.010).*

1 (12) Contributions by employees and employers to the  
2 Unemployment Compensation Disability Fund are exempt without  
3 making a claim.

4 (A) Before payment, amounts held for payment of the following  
5 benefits are exempt without making a claim:

6 (i) Benefits payable under Division 1 (commencing with Section  
7 100) of the Unemployment Insurance Code.

8 (ii) Incentives payable under Division 2 (commencing with  
9 Section 5000) of the Unemployment Insurance Code.

10 (iii) Benefits payable under an employer's plan or system to  
11 supplement unemployment compensation benefits of the employees  
12 generally or for a class or group of employees.

13 (iv) Unemployment benefits payable by a fraternal organization  
14 to its bona fide members.

15 (v) Benefits payable by a union due to a labor dispute.

16 (B) After payment, the benefits described in subparagraph (A)  
17 are exempt.

18 (C) During the payment of benefits described in clause (i) of  
19 subparagraph (A) to a debtor under a support judgment, the  
20 judgment creditor may, through the appropriate local child support  
21 agency, seek to apply the benefit payment to satisfy the judgment  
22 as provided by Section 17518 of the Family Code.

23 (D) During the payment of benefits described in clauses (ii) to  
24 (v), inclusive, of subparagraph (A) to a debtor under a support  
25 judgment, the judgment creditor may, directly or through the  
26 appropriate local child support agency, seek to apply the benefit  
27 payments to satisfy the judgment by an earnings assignment order  
28 for support as defined in Section 706.011 or any other applicable  
29 enforcement procedure. If the benefit is payable periodically, the  
30 amount to be withheld pursuant to the assignment order or other  
31 procedure shall be 25 percent of the amount of each periodic  
32 payment or any lower amount specified in writing by the judgment  
33 creditor or court order, rounded down to the nearest whole dollar.  
34 Otherwise the amount to be withheld shall be the amount the court  
35 determines under subdivision (c) of Section 703.070. The paying  
36 entity may deduct from each payment made pursuant to an  
37 assignment order under this subparagraph an amount reflecting  
38 the actual cost of administration caused by the assignment order  
39 up to two dollars (\$2) for each payment.

1     (13) (A) Except as provided by Chapter 1 (commencing with  
2 Section 4900) of Part 3 of Division 4 of the Labor Code, before  
3 payment, a claim for workers' compensation or workers'  
4 compensation awarded or adjudged is exempt without making a  
5 claim. Except as specified in subparagraph (B), after payment, the  
6 award is exempt.

7     (B) Notwithstanding any other provision of law, during the  
8 payment of workers' compensation temporary disability benefits  
9 described in subparagraph (A) to a support judgment debtor, the  
10 support judgment creditor may, through the appropriate local  
11 child support agency, seek to apply the workers' compensation  
12 temporary disability benefit payment to satisfy the support  
13 judgment as provided by Section 17404 of the Family Code.

14     (C) Notwithstanding any other provision of law, during the  
15 payment of workers' compensation temporary disability benefits  
16 described in subparagraph (A) to a support judgment debtor under  
17 a support judgment, including a judgment for reimbursement of  
18 public assistance, the judgment creditor may, directly or through  
19 the appropriate local child support agency, seek to apply the  
20 temporary disability benefit payments to satisfy the support  
21 judgment by an earnings assignment order for support, as defined  
22 in Section 5208 of the Family Code, or any other applicable  
23 enforcement procedure. The amount to be withheld pursuant to  
24 the earnings assignment order for support or other enforcement  
25 procedure shall be 25 percent of the amount of each periodic  
26 payment or any lower amount specified in writing by the judgment  
27 creditor or court order, rounded down to the nearest dollar.  
28 Otherwise, the amount to be withheld shall be the amount the court  
29 determines under subdivision (c) of Section 703.070. The paying  
30 entity may deduct from each payment made pursuant to an order  
31 assigning earnings under this subparagraph an amount reflecting  
32 the actual cost of administration of this assignment, up to two  
33 dollars (\$2) for each payment.

34     (D) Unless the provision or context otherwise requires, the  
35 following definitions govern the construction of this paragraph  
36 and paragraphs (10) to (12), inclusive.

37     (i) "Judgment debtor" or "support judgment debtor" means a  
38 person who is owing a duty of support.

39     (ii) "Judgment creditor" or "support judgment creditor" means  
40 the person to whom support has been ordered to be paid.

1 (iii) “Support” refers to an obligation owing on behalf of a  
2 child, spouse, or family, or an amount owing pursuant to Section  
3 17402 of the Family Code. It also includes past due support or  
4 arrearage when it exists.

5 (14) Before payment, aid provided pursuant to Division 9  
6 (commencing with Section 10000) of the Welfare and Institutions  
7 Code, or similar aid provided by a charitable organization or a  
8 fraternal benefit society as defined in Section 10990 of the  
9 Insurance Code, is exempt without making a claim. After payment,  
10 the aid is exempt.

11 (15) Before payment, relocation benefits for displacement from  
12 a dwelling which are to be paid pursuant to Chapter 16  
13 (commencing with Section 7260) of Division 7 of Title 1 of the  
14 Government Code or the federal Uniform Relocation Assistance  
15 and Real Property Acquisition Policies Act of 1970 (42 U.S.C.  
16 Sec. 4601 et seq.), as amended, are exempt without making a claim.  
17 After payment, the benefits are exempt.

18 (16) (A) As used in this paragraph, “institution of higher  
19 education” means “institution of higher education” as defined in  
20 Section 1141(a) of Title 20 of the United States Code, as amended.

21 (B) Before payment, financial aid for expenses while attending  
22 school provided to a student by an institution of higher education  
23 is exempt without making a claim. After payment, the aid is exempt.

24 (17) (A) As used in this paragraph:

25 (i) “Cemetery” has the meaning provided by Section 7003 of  
26 the Health and Safety Code.

27 (ii) “Family plot” is a plot that satisfies the requirements of  
28 Section 8650 of the Health and Safety Code.

29 (iii) “Plot” has the meaning provided by Section 7022 of the  
30 Health and Safety Code.

31 (B) A family plot is exempt without making a claim.

32 (C) Except as provided in subparagraph (D), a cemetery plot  
33 for the debtor and the spouse of the debtor is exempt.

34 (D) Land held for the purpose of sale or disposition as cemetery  
35 plots or otherwise is not exempt.

36 (18) Property that is not subject to enforcement of a money  
37 judgment is exempt without making a claim.

38 SEC. 2. Section 704.730 of the Code of Civil Procedure is  
39 amended to read:

1 704.730. (a) The amount of the homestead exemption is one  
 2 of the following:  
 3 (1) ~~Seventy-five~~ *One hundred fifty* thousand dollars ~~(\$75,000)~~  
 4 ~~(\$150,000)~~ unless the judgment debtor or spouse of the judgment  
 5 debtor who resides in the homestead is a person described in  
 6 paragraph (2) or (3).  
 7 (2) ~~One hundred~~ *Two hundred fifty* thousand dollars ~~(\$100,000)~~  
 8 ~~(\$250,000)~~ if the judgment debtor or spouse of the judgment debtor  
 9 who resides in the homestead is at the time of the attempted sale  
 10 of the homestead a member of a family unit, and there is at least  
 11 one member of the family unit who owns no interest in the  
 12 homestead or whose only interest in the homestead is a community  
 13 property interest with the judgment debtor.  
 14 (3) ~~One hundred seventy-five~~ *Three hundred fifty* thousand  
 15 dollars ~~(\$175,000)~~ ~~(\$350,000)~~ if the judgment debtor or spouse of  
 16 the judgment debtor who resides in the homestead is at the time  
 17 of the attempted sale of the homestead any one of the following:  
 18 (A) A person 65 years of age or older.  
 19 (B) A person physically or mentally disabled who as a result of  
 20 that disability is unable to engage in substantial gainful  
 21 employment. There is a rebuttable presumption affecting the burden  
 22 of proof that a person receiving disability insurance benefit  
 23 payments under Title II or supplemental security income payments  
 24 under Title XVI of the federal Social Security Act satisfies the  
 25 requirements of this paragraph as to his or her inability to engage  
 26 in substantial gainful employment.  
 27 (C) A person 55 years of age or older with a gross annual income  
 28 of not more than ~~fifteen~~ *twenty-two* thousand dollars ~~(\$15,000)~~  
 29 ~~(\$22,000)~~ or, if the judgment debtor is married, a gross annual  
 30 income, including the gross annual income of the judgment debtor's  
 31 spouse, of not more than ~~twenty~~ *twenty-nine* thousand dollars  
 32 ~~(\$20,000)~~ ~~(\$29,000)~~ and the sale is an involuntary sale.  
 33 (b) Notwithstanding any other provision of this section, the  
 34 combined homestead exemptions of spouses on the same judgment  
 35 shall not exceed the amount specified in paragraph (2) or (3),  
 36 whichever is applicable, of subdivision (a), regardless of whether  
 37 the spouses are jointly obligated on the judgment and regardless  
 38 of whether the homestead consists of community or separate  
 39 property or both. Notwithstanding any other provision of this  
 40 article, if both spouses are entitled to a homestead exemption, the

1 exemption of proceeds of the homestead shall be apportioned  
2 between the spouses on the basis of their proportionate interests  
3 in the homestead.

4 ~~SECTION 1. It is the intent of the Legislature to enact~~  
5 ~~legislation that would revise the exemption process for debtors in~~  
6 ~~bankruptcy proceedings.~~

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