



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB0194

Introduced 01/18/11, by Rep. Michael P. McAuliffe

SYNOPSIS AS INTRODUCED:

735 ILCS 5/12-1001

from Ch. 110, par. 12-1001

Amends the Code of Civil Procedure. Provides that any federal disability benefit awarded to a veteran for a service-connected disability under specified provisions of federal law is exempt from claims of creditors and from judgment, attachment, levy, seizure by or under any legal or equitable process, or distress for rent. Effective immediately.

LRB097 05124 AJ0 45198 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Code of Civil Procedure is amended by
5 changing Section 12-1001 as follows:

6 (735 ILCS 5/12-1001) (from Ch. 110, par. 12-1001)

7 Sec. 12-1001. Personal property exempt. The following
8 personal property, owned by the debtor, is exempt from
9 judgment, attachment, or distress for rent:

10 (a) The necessary wearing apparel, bible, school
11 books, and family pictures of the debtor and the debtor's
12 dependents;

13 (b) The debtor's equity interest, not to exceed \$4,000
14 in value, in any other property;

15 (c) The debtor's interest, not to exceed \$2,400 in
16 value, in any one motor vehicle;

17 (d) The debtor's equity interest, not to exceed \$1,500
18 in value, in any implements, professional books, or tools
19 of the trade of the debtor;

20 (e) Professionally prescribed health aids for the
21 debtor or a dependent of the debtor;

22 (f) All proceeds payable because of the death of the
23 insured and the aggregate net cash value of any or all life

1 insurance and endowment policies and annuity contracts
2 payable to a wife or husband of the insured, or to a child,
3 parent, or other person dependent upon the insured, whether
4 the power to change the beneficiary is reserved to the
5 insured or not and whether the insured or the insured's
6 estate is a contingent beneficiary or not;

7 (g) The debtor's right to receive:

8 (1) a social security benefit, unemployment
9 compensation, or public assistance benefit;

10 (2) a veteran's benefit;

11 (3) a disability, illness, or unemployment
12 benefit; and

13 (4) alimony, support, or separate maintenance, to
14 the extent reasonably necessary for the support of the
15 debtor and any dependent of the debtor.

16 (h) The debtor's right to receive, or property that is
17 traceable to:

18 (1) an award under a crime victim's reparation law;

19 (2) a payment on account of the wrongful death of
20 an individual of whom the debtor was a dependent, to
21 the extent reasonably necessary for the support of the
22 debtor;

23 (3) a payment under a life insurance contract that
24 insured the life of an individual of whom the debtor
25 was a dependent, to the extent reasonably necessary for
26 the support of the debtor or a dependent of the debtor;

1 (4) a payment, not to exceed \$15,000 in value, on
2 account of personal bodily injury of the debtor or an
3 individual of whom the debtor was a dependent; and

4 (5) any restitution payments made to persons
5 pursuant to the federal Civil Liberties Act of 1988 and
6 the Aleutian and Pribilof Island Restitution Act, P.L.
7 100-383.

8 For purposes of this subsection (h), a debtor's right
9 to receive an award or payment shall be exempt for a
10 maximum of 2 years after the debtor's right to receive the
11 award or payment accrues; property traceable to an award or
12 payment shall be exempt for a maximum of 5 years after the
13 award or payment accrues; and an award or payment and
14 property traceable to an award or payment shall be exempt
15 only to the extent of the amount of the award or payment,
16 without interest or appreciation from the date of the award
17 or payment.

18 (i) The debtor's right to receive an award under Part
19 20 of Article II of this Code relating to crime victims'
20 awards.

21 (j) Moneys held in an account invested in the Illinois
22 College Savings Pool of which the debtor is a participant
23 or donor, except the following non-exempt contributions:

24 (1) any contribution to such account by the debtor
25 as participant or donor that is made with the actual
26 intent to hinder, delay, or defraud any creditor of the

1 debtor;

2 (2) any contributions to such account by the debtor
3 as participant during the 365 day period prior to the
4 date of filing of the debtor's petition for bankruptcy
5 that, in the aggregate during such period, exceed the
6 amount of the annual gift tax exclusion under Section
7 2503(b) of the Internal Revenue Code of 1986, as
8 amended, in effect at the time of contribution; or

9 (3) any contributions to such account by the debtor
10 as participant during the period commencing 730 days
11 prior to and ending 366 days prior to the date of
12 filing of the debtor's petition for bankruptcy that, in
13 the aggregate during such period, exceed the amount of
14 the annual gift tax exclusion under Section 2503(b) of
15 the Internal Revenue Code of 1986, as amended, in
16 effect at the time of contribution.

17 For purposes of this subsection (j), "account"
18 includes all accounts for a particular designated
19 beneficiary, of which the debtor is a participant or donor.

20 Money due the debtor from the sale of any personal property
21 that was exempt from judgment, attachment, or distress for rent
22 at the time of the sale is exempt from attachment and
23 garnishment to the same extent that the property would be
24 exempt had the same not been sold by the debtor.

25 Any federal disability benefit awarded to a veteran for a
26 service-connected disability pursuant to Chapter 11 of Title 38

1 of the United States Code is exempt from claims of creditors
2 and from judgment, attachment, levy, seizure by or under any
3 legal or equitable process, or distress for rent.

4 If a debtor owns property exempt under this Section and he
5 or she purchased that property with the intent of converting
6 nonexempt property into exempt property or in fraud of his or
7 her creditors, that property shall not be exempt from judgment,
8 attachment, or distress for rent. Property acquired within 6
9 months of the filing of the petition for bankruptcy shall be
10 presumed to have been acquired in contemplation of bankruptcy.

11 The personal property exemptions set forth in this Section
12 shall apply only to individuals and only to personal property
13 that is used for personal rather than business purposes. The
14 personal property exemptions set forth in this Section shall
15 not apply to or be allowed against any money, salary, or wages
16 due or to become due to the debtor that are required to be
17 withheld in a wage deduction proceeding under Part 8 of this
18 Article XII.

19 (Source: P.A. 94-293, eff. 1-1-06; 95-306, eff. 1-1-08.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.