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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 4585

04/28/2020 Authored by Franson
The bill was read for the first time and referred to the Judiciary Finance and Civil Law Division

1.1 A bill for an act
1.2 relating to consumer protection; exempting certain federal pandemic relief payments
1.3 from creditor processes; amending Minnesota Statutes 2018, section 550.37,
1.4 subdivision 20, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2018, section 550.37, subdivision 20, is amended to read:

1.7 Subd. 20. Traceable funds. The exemption of funds from creditors' claims, provided
1.8 by subdivisions 9, 10, 11, 15, and 24, and 27, shall not be affected by the subsequent deposit
1.9 of the funds in a bank or any other financial institution, whether in a single or joint account,
1.10 if the funds are traceable to their exempt source. In tracing the funds, the first-in first-out
1.11 method of accounting shall be used. The burden of establishing that funds are exempt rests
1.12 upon the debtor. No bank or other financial institution shall be liable for damages for
1.13 complying with process duly issued out of any court for the collection of a debt even if the
1.14 funds affected by the process are subsequently determined to have been exempt.

1.15 Sec. 2. Minnesota Statutes 2018, section 550.37, is amended by adding a subdivision to
1.16 read:

1.17 Subd. 27. CARES Act payments. A debtor's right to receive a payment from or a
1.18 payment under the Coronavirus Aid, Relief, and Economic Security Act, Public Law 116-136,
1.19 is not liable to attachment, execution, levy, or any other legal process.

1.20 EFFECTIVE DATE. This section is effective the day following final enactment.