CHAPTER 550

EXECUTIONS, REDEMPTION, EXEMPTIONS

550.01 ENFORCEMENT OF JUDGMENT.
550.011 JUDGMENT DEBTOR DISCLOSURE.
550.02 JUDGMENTS; METHODS OF ENFORCEMENT.
550.03 KINDS OF EXECUTION.
550.04 EXECUTION, HOW ISSUED; CONTENTS.
550.051 TERM OF WRIT OF EXECUTION; INVENTORY; SATISFACTION.
550.06 EXECUTION AFTER DEATH.
550.07 ISSUANCE OF EXECUTION.
550.08 EXECUTION AGAINST PROPERTY, HOW EXECUTED.
550.09 LEVY ON MONEY.
550.10 PROPERTY LEVIED ON, LIEN.
550.11 LEVY ON PROPERTY SUBJECT TO JUDGMENT LIEN; RELEASE.
550.12 LEVY ON PERSONALTY.
550.13 LEVY ON BULKY ARTICLES.
550.135 SHERIFF'S LEVY ON OTHER PERSONAL PROPERTY, MONEY, OR INDEBTEDNESS.
550.136 SHERIFF'S LEVY OF EARNINGS.
550.142 PUBLIC EMPLOYEES; WAGES, EXECUTION LEVY.
550.143 LEVY ON FUNDS AT A FINANCIAL INSTITUTION.
550.15 CERTIFICATE TO BE FURNISHED OFFICER.
550.16 LEVY ON PLEDGED OR MORTGAGED CHATTELS.
550.17 LEVY ON GROWING CROPS.
550.175 EXECUTION ON REAL PROPERTY THAT INCLUDES HOMESTEAD.
550.18 NOTICE OF SALE.
550.19 SERVICE ON JUDGMENT DEBTOR.
550.20 SALE, WHEN AND HOW.
550.206 REPORT OF SALE OF HOMESTEAD ON EXECUTION; CONFIRMATION; RESALE.
550.21 SALE OF CORPORATE STOCK.
550.22 CERTIFICATE OF SALE OF REAL PROPERTY.
550.23 INTEREST OF PURCHASER SUBJECT TO ATTACHMENT OR JUDGMENT.
550.24 REDEMPTION OF REAL PROPERTY.
550.26 REDEMPTION, HOW MADE.
550.27 CERTIFICATE OF REDEMPTION; EFFECT OF REDEMPTION.
550.28 SALE IRREGULAR OR JUDGMENT REVERSED.
550.29 REDEMPTION PENDING ACTION TO SET ASIDE EXECUTION SALE.
550.30 CREDITOR MAY REDEEM IN CERTAIN CASES.
550.31 CREDITOR TO RECORD ORDER WITH COUNTY RECORDER.
550.32 RECORDING TO DETERMINE PRIORITY.
550.33 CREDITOR MAY REDEEM WHEN.
550.34 DISTRICT COURT TO DETERMINE AMOUNT.
550.35 REDEMPTION.
550.36 STAY OF EXECUTION ON MONEY JUDGMENT.
550.365 MEDIATION NOTICE AND REQUIREMENTS FOR AGRICULTURAL PROPERTY.
550.366 JUDGMENTS ON DEBTS RELATED TO AGRICULTURAL PROPERTY.
550.37 PROPERTY EXEMPT.
550.371 EXEMPTIONS IN JOINT BANKRUPTCY.
550.38 VETERAN'S PENSION, BONUS, OR COMPENSATION.
550.39 EXEMPTION OF INSURANCE POLICIES.
550.41 LEVY ON PROPERTY IN EXCESS OF EXEMPTION.
550.42 WAIVER OF AGRICULTURAL DEBTOR'S RIGHTS.

550.01 ENFORCEMENT OF JUDGMENT.

The party in whose favor a judgment is given, or the assignee of such judgment, may proceed to enforce the same, at any time within ten years after the entry thereof, in the manner provided by law.

History: *(9416) RL s 4287*

550.011 JUDGMENT DEBTOR DISCLOSURE.

Unless the parties have otherwise agreed, if a judgment has been docketed in district court for at least 30 days, and the judgment is not satisfied, the judgment creditor's attorney as an officer of the court may or the district court in the county in which the judgment originated shall, upon request of the judgment creditor, order the judgment debtor to mail by certified mail to the judgment creditor information as to the nature, amount, identity, and locations of all the debtor's assets, liabilities, and personal earnings. The information must be provided on a form prescribed by the supreme court, and the information shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt

assets and earnings of the judgment debtor. The order must contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for civil contempt of court. Cash bail posted as a result of being cited for civil contempt of court order under this section may be ordered payable to the creditor to satisfy the judgment, either partially or fully, subject to section 588.04, paragraph (b).

History: *1993 c 321 s 6; 2009 c 83 art 2 s 36; 2013 c 104 s 4*

550.02 JUDGMENTS; METHODS OF ENFORCEMENT.

Where a judgment requires the payment of money, or the delivery of real or personal property, it may be enforced in those respects by execution. Where it requires the performance of any other act, a certified copy of the judgment may be served upon the party against whom it is given, or the person or officer who is required thereby or by law to obey the same. A person so served who refuses may be punished by the court as for contempt, and the individual's obedience thereto enforced.

History: *(9417) RL s 4288; 1986 c 444*

550.03 KINDS OF EXECUTION.

There shall be two kinds of executions, one against the property of the judgment debtor, and the other for the delivery of real or personal property, or such delivery with damages for detaining, or for taking and withholding, the same.

History: *(9418) RL s 4289*

550.04 EXECUTION, HOW ISSUED; CONTENTS.

The execution shall be under the seal of the court, subscribed by the court administrator, directed to the sheriff, or to the coroner if the sheriff be a party or interested, or to the judgment creditor or the judgment creditor's attorney, if issued under chapter 551, and endorsed by the party applying therefor or the party's attorney. It shall refer intelligibly to the judgment, stating the court, the county where the judgment roll or transcript is filed, the names of the parties, the amount of the judgment, if it be for money, the amount actually due thereon, together with accrued interest to the date of issuance and the amount of daily interest accruing during the calendar year, and the time of docketing in the county to which the execution is issued. When issued to the sheriff or coroner, it shall require the officer substantially as follows:

(1) if it be against the property of the judgment debtor, to satisfy the judgment, with interest, out of the debtor's personal property, and, if sufficient personal property cannot be found, out of the real property belonging to the debtor on the day when the judgment was docketed in the county, or at any time thereafter not exceeding ten years;

(2) if real property has been attached, and judgment rendered in favor of the plaintiff in the same action, the execution thereon may also direct a sale of all the property which the defendant had in such real estate at the time it was so attached, or at any time after entry of judgment not exceeding ten years; in such case, if after the attachment the judgment creditor has paid taxes on the real property and filed with the court administrator the tax receipt, it shall be attached to the judgment roll, and the execution shall also state that it has been filed, and the date and amount thereof, and the date of filing; and, if the property be sold under the execution, the proceeds, after deducting the expenses of sale, shall be first applied to the payment of the amount so paid for taxes, with interest;

(3) if it be against real or personal property in the hands of personal representatives, heirs, devisees, legatees, trustees, or tenants of real property, it shall require the officer to satisfy the judgment, with interest, out of such property;

(4) if it be against defendants jointly indebted on a contract, a part of whom only have been summoned in the action, it shall issue in form against all; but the party causing it to be issued, or the party's attorney, shall endorse thereon the names of those defendants who have not been summoned, and it shall not be levied upon the sole property of any such defendant; but it may be levied upon the personal property owned by such defendant as a partner with any or all of the other defendants;

(5) if it be for delivery of the possession of real or personal property, it shall require the officer to deliver possession of the same, particularly describing it, to the party entitled thereto; and it may, at the same time, require the officer to satisfy, out of the personal property of the party against whom the judgment was rendered, any costs, charges, damages, rents, or profits recovered thereby, and the value of the property for which the judgment was recovered, to be specified therein, if a delivery thereof cannot be had; and if sufficient personal property cannot be found, then out of the real property, as provided in clause (1), and in that respect it shall be deemed an execution against property.

History: *(9419) RL s 4290; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1987 c 273 s 4; 2008 c 277 art 1 s 92*

550.041 MS 1988 [Repealed, 1990 c 606 art 3 s 39]

550.05 MS 1988 [Repealed, 1990 c 606 art 3 s 39]

550.051 TERM OF WRIT OF EXECUTION; INVENTORY; SATISFACTION.

Subdivision 1. **Time periods.** The writ of execution expires 180 days after its issuance by the court administrator. A levy that is served with a writ of execution that has expired is void. If the officer or creditor's attorney having the writ levies upon property or earnings before the expiration of 180 days, the officer or creditor's attorney may retain the writ until the officer sells the property or completes the levy upon earnings in the manner prescribed by law. Any levy properly served in accordance with this chapter or chapter 551 prior to the expiration of the writ shall be processed in accordance with the appropriate statutory section until completion, without regard for the date of expiration of the writ. Upon a demand of the judgment creditor or the creditor's attorney within 180 days, the officer shall pay to the judgment creditor or the judgment creditor's attorney all money collected upon execution after deducting the officer's fees. Upon expiration of the writ or full satisfaction of the judgment, if earlier, the officer shall make a full inventory of the property levied on and return it with the execution.

Subd. 2. **Satisfaction.** In case of satisfaction, either partial or in full, the officer shall return the writ to the court administrator originally issuing it and return a duplicate copy of it to the court administrator of the officer's own county, if execution is upon judgment transcripted from another county. The court administrator to whom a duplicate is returned shall enter the record of the satisfaction upon the judgment docket and note in the margin that the entry is made upon "duplicate return." If the writ of execution is being returned when the judgment has been wholly satisfied, the writ shall be filed with the court administrator within ten days after the final payment or within 30 days if the payment is by check or other noncertified funds. If the writ of execution is being returned partially satisfied, the officer shall include a statement setting forth the dates and amounts of payments made upon the judgment after the most recent partial satisfaction filed, if any.

History: *1990 c 606 art 1 s 1; 2000 c 405 s 1*

550.06 EXECUTION AFTER DEATH.

After the expiration of one year from the death of a party against whom judgment has been rendered, execution thereon may be issued against any property upon which such judgment was a lien at the time of the party's death, and may be executed in the same manner and with like effect as if the party were living.

History: *(9421) RL s 4292; 1986 c 444*

550.07 ISSUANCE OF EXECUTION.

When the execution is against the personal property or money of the judgment debtor, it may be issued to the sheriff of any county from the district court where the judgment was originally docketed. When it requires the delivery of real property, it shall be issued to the sheriff of the county where the property or some part thereof is situated after the judgment is docketed in that county. Executions may be issued at the same time to different counties.

History: *(9422) RL s 4293; 1980 c 388 s 1; 1998 c 254 art 2 s 60*

550.08 EXECUTION AGAINST PROPERTY, HOW EXECUTED.

The officer shall execute the writ against the property of the judgment debtor by levying upon the same, collecting the things in action, or selling the same if the court so orders, selling the other property, except as provided in section 550.09, and paying to the judgment creditor the proceeds, or so much thereof as will satisfy the execution.

History: *(9423) RL s 4294*

550.09 LEVY ON MONEY.

When coin of the United States, or bills or other evidence of debt issued by the United States or by any moneyed corporation and circulated as money, are seized upon execution, the officer shall pay and return the same as so much money collected.

History: *(9424) RL s 4295*

550.10 PROPERTY LEVIED ON, LIEN.

All property, real and personal, including rights and shares in the stock of corporations, money, book accounts, credits, negotiable instruments, and other evidences of indebtedness, may be levied upon and sold on execution. Until a levy, property not subject to the lien of the judgment is not affected by the execution.

History: *(9425) RL s 4296*

550.11 LEVY ON PROPERTY SUBJECT TO JUDGMENT LIEN; RELEASE.

It shall be deemed a sufficient levy upon property subject to the lien of the judgment if the officer make a minute on the execution, stating the time when it was delivered to the officer, and that at such time the officer levied upon such property, describing it. At the time of or during the progress of the execution sale, or prior thereto on the request of the judgment creditor, the officer may release such property, or so much thereof as has not been actually sold, from such levy, before full satisfaction of the judgment; and the judgment, or such part thereof as has not been actually satisfied by a payment or sale, and the lien thereof, shall not be affected by such levy and release, but shall remain in force as if no levy had been made.

History: *(9426) RL s 4297; 1986 c 444*

550.12 LEVY ON PERSONALTY.

Personal property capable of manual delivery shall be levied upon by the officer taking it into custody.

History: *(9427) RL s 4298*

550.13 LEVY ON BULKY ARTICLES.

When personal property, by reason of its bulk or other cause, cannot be immediately removed, it shall be a sufficient levy thereon if the officer, within three days thereafter, file in the appropriate filing office under the Uniform Commercial Code, section 336.9-501, a certified copy of the execution, and of the officer's return and levy thereon. The officer shall pay the filing fee and include it in the charges.

History: *(9428) RL s 4299; 1923 c 420 s 1; 1965 c 812 s 23; 1986 c 444; 2001 c 195 art 2 s 34*

550.135 SHERIFF'S LEVY ON OTHER PERSONAL PROPERTY, MONEY, OR INDEBTEDNESS.

Subdivision 1. **Scope of general and specific provisions.** General provisions relating to the sheriff's levy upon personal property not covered elsewhere in this chapter and upon money or indebtedness are set forth in this section. Specific provisions relating to a sheriff's levy upon earnings are set forth in sections 550.136 and 550.142. Specific provisions relating to a sheriff's levy upon funds at a financial institution are set forth in section 550.143. Summary execution of judgment debts by an attorney for the judgment creditor is governed by chapter 551.

Subd. 2. **Other personal property.** Other personal property shall be levied on by leaving a copy of the writ of execution and a notice specifying the property levied on, with the person holding it; or, if a debt, with the judgment debtor; or, if stock or interest in stock of a corporation, with its president, secretary, treasurer, cashier, officer, or managing agent.

Subd. 3. **Money or indebtedness.** The sheriff may levy upon money or other indebtedness owed by a third party to the judgment debtor. The sheriff may serve a copy of the writ of execution through a registered or certified letter or by personal service to the third party. Upon receipt, unless governed by section 550.136 or 550.143, the third party shall remit to the sheriff as much of the amount due under section 550.04 as the third party's own debt equals.

Subd. 4. **Property not attachable.** The following property is not subject to attachment by a writ of execution served pursuant to this chapter:

(1) any indebtedness or money due to the judgment debtor, unless at the time of the service of the writ of execution the same is due absolutely or does not depend upon any contingency;

(2) any judgment owing by the third party to the judgment debtor, if the third party or the third party's property is liable on an execution levy upon the judgment;

(3) any debt owing by the third party to the judgment debtor for which any negotiable instrument has been issued or endorsed by the third party;

(4) any indebtedness or money due to the judgment debtor where the judgment debtor is a bank, savings bank, trust company, credit union, savings association, or industrial loan and thrift company with deposit liabilities;

(5) any indebtedness or money due to the judgment debtor with a cumulative value of less than $10; and

(6) any disposable earnings, indebtedness, or money that is exempt under Minnesota or federal law.

Subd. 5. **Third-party fee.** If the levy is upon earnings or upon funds at a financial institution, the third party shall be paid a $15 fee at the time of the service of the writ of execution. Failure to pay the fee renders the levy void, and the third party shall take no action. The $15 shall not be paid where the funds being levied on are being retained pursuant to a garnishment previously served in compliance with chapter 571. This fee may be recovered by the judgment creditor as an allowable cost. The judgment creditor shall provide the $15 fee to the sheriff to be paid to the third party. If a third party is required to appear and submit to oral examination, the third party shall be tendered, in advance of the examination, fees and mileage for attendance at the rate allowed by law to a witness. These fees may be recovered by the judgment creditor as an allowable disbursement. In extraordinary cases, the third party may be allowed additional sums the court considers reasonable for attorney fees and other necessary expenses. The court shall then determine which party bears the burden of this expense.

Subd. 6. **Third-party disclosure and remittance.** Within 15 days after receipt of the writ of execution, unless governed by section 550.136 or 550.143, the third party shall make the required disclosure and remittance to the sheriff. The remittance shall be as much of the amount due under section 550.04 as the third party's own debt equals.

Subd. 7. **Oral disclosure.** Before or after the service of a written disclosure by a third party under subdivision 6, upon a showing by affidavit upon information and belief that an oral examination of the third party would provide a complete disclosure of relevant facts, any party to the execution proceedings may obtain an ex parte order requiring the third party, or a representative of the third party designated by name or by title, to appear for oral examination before the court or a referee appointed by the court. Notice of the examination shall be given to all parties.

Subd. 8. **Supplemental complaint.** If a third party holds property, money, earnings, or other indebtedness by a title that is void as to the judgment debtor's creditors, the property may be levied on although the judgment debtor would be barred from maintaining an action to recover the property, money, earnings, or other indebtedness. In this and all other cases where the third party denies liability, the judgment creditor may move the court at any time before the third party is discharged, on notice to both the judgment debtor and the third party for an order making the third party a party to the supplemental action and granting the judgment creditor leave to file a supplemental complaint against the third party and the judgment debtor. The supplemental complaint shall set forth the facts upon which the judgment creditor claims to charge the third party. If probable cause is shown, the motion shall be granted. The supplemental complaint shall be served upon the third party and the judgment debtor and any other parties. The parties served shall answer or respond pursuant to the Minnesota Rules of Civil Procedure for the District Courts, and if they fail to do so, judgment by default may be entered against them.

Subd. 9. **Judgment against third party upon failure to disclose or remit.** Judgment may be entered against a third party who has been served with a writ of execution and fails to disclose or remit the levied funds as required in this chapter. Upon order to show cause served on the third party, and notice of motion supported by affidavit of facts and affidavit of service upon the judgment debtor, the court may render judgment against the third party for an amount not exceeding 110 percent of the amount claimed in the writ of execution. The court upon good cause shown may remove the default and permit the third party to disclose or remit on just terms.

Subd. 10. **Forms.** No judgment creditor shall use a form that contains alterations or changes from the statutory forms that mislead judgment debtors as to their rights and the execution procedure generally. If a court finds that a judgment creditor has used a misleading form, the judgment debtor shall be awarded actual

damages, costs, reasonable attorney fees resulting from additional proceedings, and an amount not to exceed $100. All forms must be clearly legible and printed in not less than the equivalent of 10-point type. A form that uses both sides of a sheet must clearly indicate on the front side that there is additional information on the back side of the sheet.

Forms, including the statutory forms, used in executions upon earnings for the satisfaction of judgments for child support must be changed by the creditor to reflect the fact that the 70-day period of effectiveness does not apply to these executions if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

Subd. 11. **Third-party good faith requirement.** The third party is not liable to the judgment debtor, judgment creditor, or other person for wrongful retention if the third party retains or remits disposable earnings, indebtedness, or money of the judgment debtor or any other person, pending the third party's disclosure or consistent with the disclosure the third party makes, if the third party has a good faith belief that the property retained or remitted is subject to the writ of execution. In addition, the third party may, at any time before or after disclosure, proceed under Rule 67 of the Minnesota Rules of Civil Procedure for the District Courts to make deposit into court. No third party is liable for damages if the third party complies with the provisions of this chapter.

Subd. 12. **Bad faith claim.** If, in a proceeding brought under section 550.143, subdivision 10, or a similar proceeding under this chapter to determine a claim of exemption, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed $100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded actual damages, costs, reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed $100. The underlying judgment shall be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to that party's attorney for fees, the attorney's fee award shall be made directly to the attorney and if not paid, an appropriate judgment in favor of the attorney shall be entered. Any action by a judgment creditor made in bad faith and in violation of this chapter renders the execution levy void and the judgment creditor liable to the judgment debtor named in the execution levy in the amount of $100, actual damages, and reasonable attorney fees and costs.

Subd. 13. **Discharge of a third party.** Subject to subdivisions 6 and 14, the third party, after disclosure, shall be discharged of any further obligation to the judgment creditor when one of the following conditions is met:

(a) The third party discloses that the third party is not indebted to the judgment debtor or does not possess any property, money, or earnings belonging to the judgment debtor that is attachable as defined in this chapter. The disclosure is conclusive against the judgment creditor and discharges the third party from any further obligation to the judgment creditor other than to retain and remit all nonexempt disposable earnings, indebtedness, or money of the judgment debtor that was disclosed.

(b) The third party discloses that the third party is indebted to the judgment debtor as indicated on the execution disclosure form. The disclosure is conclusive against the judgment creditor and discharges the third party from any further obligation to the judgment creditor other than to retain and remit all nonexempt disposable earnings, indebtedness, or money of the judgment debtor that was disclosed.

(c) The court may, upon motion of an interested person, discharge the third party as to any disposable earnings, money, property, or indebtedness in excess of the amount that may be required to satisfy the judgment creditor's claim.

Subd. 14. **Exceptions to discharge of a third party.** The third party is not discharged if:

(a) Within 20 days of the service of the third party's disclosure, an interested person serves a motion relating to the execution levy. The hearing on the motion must be scheduled to be heard within 30 days of the service of the motion.

(b) The judgment creditor moves the court for leave to file a supplemental complaint against the third party, as provided for in subdivision 8, and the court upon proper showing, vacates the discharge of the third party.

Subd. 15. **Joinder and intervention by persons in interest.** If it appears that a person, who is not a party to the action, has or claims an interest in any of the disposable earnings, other indebtedness, or money, the court shall permit that person to intervene or join in the execution proceeding under this chapter. If that person does not appear, the court may summon that person to appear or order the claim barred. The person so appearing or summoned shall be joined as a party and be bound by the judgment.

Subd. 16. **Appeal.** A party to an execution proceeding aggrieved by an order or final judgment may appeal as in other civil cases.

History: *1990 c 606 art 1 s 2; 1993 c 156 s 1; 1995 c 202 art 1 s 25*

550.136 SHERIFF'S LEVY OF EARNINGS.

Subdivision 1. **Procedure.** When earnings are levied upon by the sheriff, this section must be complied with, in addition to the general provisions specified in section 550.135.

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given them:

(a) "Earnings" means:

(1) compensation paid or payable to an employee for personal service whether denominated as wages, salary, commissions, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement program;

(2) compensation paid or payable to the producer for the sale of agricultural products; livestock or livestock products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2; or

(3) maintenance as defined in section 518.003, subdivision 3a.

(b) "Disposable earnings" means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld.

(c) "Employee" means an individual who performs services subject to the right of the employer to control both what is done and how it is done.

(d) "Employer" means a person for whom an individual performs services as an employee.

Subd. 3. **Limitation on levy on earnings.** (a) Unless the judgment is for child support, the maximum part of the aggregate disposable earnings of an individual for any pay period subjected to an execution levy may not exceed the lesser of:

(1) 25 percent of the judgment debtor's disposable earnings; or

(2) the amount by which the judgment debtor's disposable earnings exceed the greater of: (i) 40 times the hourly wage described in section 177.24, subdivision 1, paragraph (a), clause (4); or (ii) 40 times the federal minimum hourly wages prescribed by section 6(a)(1) of the Fair Labor Standards Act of 1938, United States Code, title 29, section 206(a)(1), in effect at the time the earnings are payable, times the number of work weeks in the pay period. When a pay period consists of other than a whole number of work weeks, each day of that pay period in excess of the number of completed work weeks shall be counted as a fraction of a work week equal to the number of excess workdays divided by the number of days in the normal work week.

(b) If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received).

Execution levies under this section on judgments for child support are effective until the judgments are satisfied if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied.

(c) No court may make, execute, or enforce an order or any process in violation of this section.

Subd. 4. **Multiple levies on earnings.** Except as otherwise provided in this chapter or section 518A.53, the priority of multiple earnings execution levies is determined by the order in which the execution levies were served on the employer. If the employer is served with two or more writs of execution at the same time on the same day, the writ of execution issued pursuant to the first judgment entered has priority. If two or more execution levies are served on the same day and are based on judgments entered on the same day, then the employer shall select the priority of the earnings levies. However, in all cases except earnings execution levies on judgments for child support if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied, the execution levies shall be effective no longer than 90 days from the date of the service of the writ of execution.

Subd. 5. **Earnings attachable.** (a) Subject to the exemptions provided by sections 550.37 and 571.922, and any other applicable statute, and except as otherwise provided in paragraph (b), the service of a writ of execution under this chapter attaches all unpaid nonexempt disposable earnings owing or to be owed by the

third party and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 90 days after the date of service of the writ of execution. "Paydays" means the days upon which the third party pays earnings to the judgment debtor in the ordinary course of business. If the judgment debtor has no regular paydays, paydays means the 15th day and the last day of each month. If the levy attaches less than $10, the third party shall not retain and remit the sum.

(b) The service of a writ of execution on a judgment for child support attaches to all unpaid nonexempt disposable earnings owing or to be owed by the third party and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods until the judgment is satisfied if the judgment creditor is a county and the third party is notified by the county when the judgment is satisfied.

Subd. 6. **Earnings exemption notice.** Before the first levy on earnings under this chapter, the judgment creditor shall serve upon the judgment debtor no less than ten days before the service of the writ of execution, a notice that the writ of execution may be served on the judgment debtor's employer. The notice must: (1) be substantially in the form set forth below; (2) be served personally, in the manner of a summons and complaint, or by first class mail to the last known address of the judgment debtor; (3) inform the judgment debtor that an execution levy may be served on the judgment debtor's employer in ten days, and that the judgment debtor may, within that time, cause to be served on the judgment creditor a signed statement under penalties of perjury asserting an entitlement to an exemption from execution; (4) inform the judgment debtor of the earnings exemptions contained in section 550.37, subdivision 14; and (5) advise the judgment debtor of the relief set forth in this chapter to which the debtor may be entitled if a judgment creditor in bad faith disregards a valid claim and the fee, costs, and penalty that may be assessed against a judgment debtor who in bad faith falsely claims an exemption or in bad faith takes action to frustrate the execution process. The notice requirement of this subdivision does not apply to a levy on earnings being retained by an employer pursuant to a garnishment previously served in compliance with chapter 571.

The ten-day notice informing a judgment debtor that a writ of execution may be used to levy the earnings of an individual must be substantially in the following form:

State of Minnesota **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Execution Exemption**

against **Notice and Notice of**

Debtor's full name **Intent to Levy on Earnings**

.....

and

Third Party (bank, employer, or other)

.....

Notice: A levy may be served on your employer or other third parties. **A levy means that part of your earnings can be taken to pay off debts that you owe.** This can happen in 10 days or more after you get this notice. This can happen without any other court action or notice to you. **But some of your money may be protected.**

Your earnings cannot be taken if:

(i) you are getting government assistance based on need,

(ii) you got any government assistance based on need in the last 6 months, or

(iii) you were an inmate of a correctional institution in the last 6 months.

These are called exemptions. Your money is NOT protected unless you fill out the Exemption Claim Notice attached and send it back to the creditor or the creditor's lawyer. If you are not sure if you have any exemptions, talk to a lawyer.

You can also contact the creditor or their lawyer to talk about a settlement of the debt.

Examples of government assistance based on need:

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

Warnings and Fines

(1) Even if you claim an exemption, a levy may still be served on your employer. If they take money from you after you claim an exemption, you may ask the court to review your exemption. If the court finds that the creditor ignored your claim of exemption in bad faith, you are entitled to costs, reasonable lawyer fees, actual damages, and a fine up to $100. Bad faith is when someone does something wrong on purpose.

(2) BUT if you claim an exemption, the creditor can also ask the court to review your exemption. If the court finds that you claimed an exemption in bad faith, you are charged costs and reasonable lawyer fees and a fine up to $100.

(3) If you get this notice, then do something in bad faith to try to block or stop the levy and the creditor has to take you to court because of it, you will have to pay the creditor's costs, and reasonable lawyer fees, and a fine up to $100.

Date: .....

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Debtor's Exemption Claim Notice

I claim that my earnings are exempt because: (check all that apply)

... I am getting government assistance based on need. (State the program, case number if you know it, and the county you got it from.)

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

... I am not getting assistance based on need right now, but I did get government assistance based on need within the last 6 months. (State the program, case number if you know it, and the county you got it from.)

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

Program: ..... Case #: ..... County: .....

... I was an inmate of a correctional institution within the last 6 months. (State the correctional institution and location.)

Correctional Institution ..... Location .....

I give my permission to any agency listed above to give information about my benefits to the creditor named above, or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Subd. 7. **Additional notices.** If the execution levy has not been served within one year after service of the exemption notice, the judgment creditor or its attorney shall serve another notice upon the judgment debtor before serving the execution levy on the judgment debtor's employer. If more than one year has passed since the service of the judgment creditor's most recent execution levy, the judgment creditor shall, no less than ten days before service of a subsequent execution levy, serve notice that another execution levy may be served.

Subd. 8. **Proceedings if no exemption statement is received.** If no statement of exemption is received by the judgment creditor's attorney (or the creditor if not represented by an attorney) on an earnings levy within ten days after the service of the notice, the judgment creditor may proceed with the execution levy. Failure of the judgment debtor to serve a statement does not constitute a waiver of any right the judgment debtor may have to an exemption. If the statement of exemption is received by the judgment creditor, the judgment creditor may still cause a levy to be served subject to sanctions provided in section 550.143, subdivision 10.

Subd. 9. **Execution earnings disclosure form and worksheet.** The judgment creditor shall provide to the sheriff for service upon the judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

State of Minnesota **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Earnings Execution Disclosure**

and **For Non-Child Support Judgments**

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

This form is called an "Earnings Execution Disclosure" or "Disclosure." It is for the employer to fill out. The "debtor" is the person who owes money. The debtor gets a copy of this form for their own information.

The employer is also called the "third party garnishee" or "third party." The debtor is also called a "judgment debtor." If the debtor asks how the calculations in this document were made, the employer **must** provide information about it.

DEFINITIONS

"Earnings": what is paid or payable to an employee, independent contractor, or self-employed person for personal services (a job). Also called compensation. Compensation can be wages, salary, commission, bonuses, payments, profit-sharing distributions, severance payment, fees, or other. It includes periodic payments from a pension or retirement. It can also be compensation paid or payable to a producer for the sale of agricultural products. This can be things like milk or milk products, or fruit or other horticultural products. Or things produced in the operation of a family farm, a family farm corporation, or an authorized farm corporation. This is defined in Minnesota Statutes, section 500.24, subdivision 2.

"Disposable Earnings": the part of a person's earnings that are left after subtracting the amounts required by law to be withheld. **Note:** Amounts required by law to be withheld do not include things like health insurance, charitable contributions, or other voluntary wage deductions.

"Payday": the date when the employer pays earnings to the debtor for doing their job. If the debtor has no regular payday, then "payday" means the 15th and the last day of each month.

The Third Party/Employer Must Answer The Following Questions:

(1) Right now, do you owe money to the debtor for earnings?

Yes ..... No .....

(2) Within 90 days from the date you were served with the levy, will you or may you owe money to the debtor for earnings?

Yes ..... No .....

(3) Does the debtor earn more than the current Minnesota or federal minimum wage per week? (use the number that is more)

Yes ..... No .....

A. If you answer "No" to question 1, 2, or 3, you don't need to answer the rest of the questions. You don't have to do the Earnings Disclosure Worksheet. Sign the Earnings Disclosure Affirmation below and return this disclosure form to the sheriff. You must return it within 20 days after it was served on you.

B. If you answer "Yes" to question 1 or 2, and "Yes" to question 3, sign the Earnings Disclosure Affirmation below. You must return it to the sheriff within 20 days. You must also fill out the rest of this form. Read the instructions for the Earnings Disclosure Worksheet.

Earnings Disclosure Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: .....

Third Party's Name: .....

Third Party's Signature: .....

Phone: ..... Fax: .....

Email: .....

Instructions for Completing the Earnings Disclosure Worksheet

For each payday that falls within 90 days from the date the levy was served on you, you **must** calculate the amount of earnings to be withheld. Enter the amounts on the Earnings Disclosure Worksheet.

You **must**:

(1) Withhold the amount of earnings listed in Column I on the Earnings Disclosure Worksheet each payday.

(2) After 90 days, return this Earnings Disclosure Worksheet to the sheriff. Include all the money withheld. Sign the Affirmation at the end of the worksheet before returning.

(3) Deliver a copy of the disclosure and worksheet to the debtor within 10 days after the last payday that falls within the 90-day period.

If the debt (judgment) is fully paid off or if the debtor's job ends before the 90-day period is over, you need to do the last disclosure and withholdings within 10 days of their last payday that you withheld money.

Calculating Percentage of Disposable Earnings

Note to Creditor: You must fill out this chart before sending this form to the employer. Use the current minimum wage found online at: https://www.dli.mn.gov/minwage.

Minimum Wage = $MW/hour.

if the weekly gross earnings are:	then this percentage of the disposable earnings are withheld:
Less than [40 X MW]	0%
[40 X MW + .01] to [60 X MW]	10%
[60 X MW + .01] to [80 X MW]	15%
[80 x MW + .01] or more	25%

Employer: Use this creditor's calculation chart to know what percentage of earnings should be withheld.

Earnings Disclosure Worksheet

.....

Debtor's name

	A - Payday Date	B - Gross Earnings	C - Disposable Earnings
1.	.....	$	$ .....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....

Column A. Enter the debtor's payday.

Column B. Enter the debtor's gross earnings for each payday.

Column C. Enter the debtor's disposable earnings for each payday.

	D - % of withholding of Column C (Use the creditor's calculation)	E - Greater of 40 X MN or Fed. Min. Wage	F - Column C minus Column E
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....

Column D. Enter the percentage of disposable earnings that will be withheld. Get this number from the creditor's calculation chart.

Column E. Calculate 40 times the current MN minimum wage (or 40 times the current federal minimum wage) times the number of work weeks in each payday. Enter the bigger number here. **Note:** If a payday has extra days that are more than a full work week, count those extra days as part of a work week. Do this by dividing the number of extra workdays by the number of workdays in a normal week.

Column F. Subtract the amount in Column E from the amount in Column C and enter here.

	G - Lesser of Column D and Column F	H - Setoff, Lien, Adverse Interest, or Other Claims	I - Column G minus Column H
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....

TOTAL OF COLUMN I $ .....

Column G. Look at Column D and Column F. Enter the smaller amount of the two here in Column G.

Column H. Enter any amount claimed by you that would lower the amount of earnings that will go to the debtor. Things like:

(i) a setoff,

(ii) a defense,

(iii) a lien,

(iv) a claim, or

(v) any amount claimed by any other person as an exemption or adverse interest.

Note: You must describe your claim(s) and the claims of others, if known, in the spaces after this worksheet.

Enter zero in Column H if there are no claims by you or others which would lower the amount of earnings owed to the debtor.

Note: Any debt that happened within 10 days before you got the first levy on a debt may not be set off against the earnings that are affected by this levy. Any wage assignment made by the debtor within 10 days before you got the first levy on a debt is void. Wage assignment is when a debtor voluntarily agrees to money being taken out of their earnings.

Column I. Subtract the amount in Column H from the amount in Column G and enter here. This is the amount of earnings that go to the creditor.

If you entered any amount in Column H for any payday, describe those claims below. It doesn't matter if they are your claims, or the claims of others. For claims by others, list the names and addresses of each, and describe their claims, if you know.

.....

.....

.....

.....

Earnings Worksheet Affirmation

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure and have done so truthfully and to the best of my knowledge.

Date: .....

Third Party's Name: .....

Third Party's Signature: .....

Phone: ..... Fax: .....

Email: .....

Subd. 10. **Execution earnings disclosure form and worksheet for child support judgments.** The judgment creditor shall provide to the sheriff for service upon a child support judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA DISTRICT COURT

COUNTY OF .... JUDICIAL DISTRICT

FILE NO. .....

..... (Judgment Creditor)

against EARNINGS

..... (Judgment Debtor) EXECUTION

and DISCLOSURE

..... (Third Party)

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment benefits.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 90 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

Yes ..... No .....

INSTRUCTIONS FOR COMPLETING THE

EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 90 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 90-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of judgment debtor's payday.

(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.

(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child and the judgment is 12 weeks old or less (12 weeks to be calculated to the beginning of the work week in which the execution levy is received); or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you incurred within ten days prior to your receipt of the first execution levy may not be set off against the earnings otherwise subject to this levy. Any wage assignment made by the judgment debtor within ten days prior to your receipt of the first execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column E if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(7) COLUMN F. Subtract the amount in column E from the amount in column D and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I, ... (person signing Affirmation), am the third party/employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

DATED: .....

.....

Signature

.....

Title

.....

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

.....

Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1.	$	$ .....
2.	.....	.....
3.	.....	.....
4.	.....	.....
5.	.....	.....
6.	.....	.....
7.	.....	.....
8.	.....	.....
9.	.....	.....
10.	.....	.....

D	E	F
Either 50, 55, 60, or 65% of Column C	Setoff, Lien, Adverse Interest, or Other Claims	Column D minus Column E
1.	.....	.....
2.	.....	.....
3.	.....	.....
4.	.....	.....
5.	.....	.....
6.	.....	.....
7.	.....	.....
8.	.....	.....
9.	.....	.....
10.	.....	.....
	TOTAL OF COLUMN F	$ .....

*If you entered any amount in column E for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.

.....

.....

.....

AFFIRMATION

I, ... (person signing Affirmation), am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....

Signature

Dated: .... (...) .....

Title Phone Number

Subd. 11. **Postexecution notice to judgment debtor.** The judgment creditor shall serve by mail upon the judgment debtor not later than five days after service is made on the judgment debtor's employer, a copy of the writ of execution and copies of all other papers served on the judgment debtor's employer.

Subd. 12. **Third-party disclosure and remittance obligation.** If there are no attachable earnings, the third party shall serve the execution earnings disclosure form upon the sheriff within 20 days after service of the writ of execution. However, if the judgment debtor has attachable earnings, the third party shall serve the execution earnings disclosure form and remit to the sheriff the attached earnings within ten days of the last payday to occur within the 90 days after the date of the service of the execution. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 90-day period, the disclosure and remittance should be made within ten days after the last payday for which earnings were attached. The amount of the third party's execution earnings disclosure form and remittance need not exceed 110 percent of the amount of the judgment creditor's judgment that remains unpaid, after subtracting the total of setoffs, defenses, exemption, or other adverse interests. If the disclosure is by a corporation, it shall be made by an officer or an authorized agent having knowledge of the facts.

Subd. 13. **Penalty for retaliation or discharge.** (a) An employer shall not discharge or otherwise discipline an employee as a result of an earnings levy authorized by this chapter.

(b) If an employer violates this section, a court may order the reinstatement of an aggrieved party who demonstrates a violation of this section, and other relief the court considers appropriate. The aggrieved party may bring a civil action within 90 days of the date of the prohibited action. If an employer-employee relationship existed before the violation of this section, the employee shall recover twice the wages lost as a result of this violation.

(c) The rights guaranteed by this section are not subject to abridgment and may not be altered by employment contract.

History: *1990 c 606 art 1 s 3; 1991 c 156 s 15,16; 1993 c 156 s 2-4; 1994 c 488 s 8; 1997 c 203 art 6 s 92; 1998 c 382 art 2 s 18; 1999 c 107 s 66; 1999 c 159 s 141; 2000 c 343 s 4; 2000 c 405 s 2; 2005 c 164 s 29; 1Sp2005 c 7 s 28; 2015 c 21 art 1 s 109; 2020 c 86 art 4 s 1-6; 2024 c 110 art 6 s 5; 2025 c 18 s 1,2; 1Sp2025 c 4 art 7 s 32*

550.14 MS 1988 [Repealed, 1990 c 606 art 3 s 39]

550.141 MS 1988 [Repealed, 1990 c 606 art 3 s 39]

550.142 PUBLIC EMPLOYEES; WAGES, EXECUTION LEVY.

The salary or earnings of any public employee or officer may be levied upon pursuant to sections 550.135 and 550.136. Where the judgment debtor is an officer, the writ shall be served upon the auditor, treasurer, or clerk of the subdivision or department of which the judgment debtor is an officer. Where the judgment debtor is an employee other than an officer, the writ shall be served upon the person in charge of the office or department in which the employee works.

When payment has been made pursuant to levy, a copy of the writ of execution with certificate of satisfaction shall be delivered to the treasurer as a voucher for such payment.

History: *1953 c 110 s 2; 1973 c 123 art 5 s 7; 1976 c 335 s 5; 1986 c 444; 1990 c 606 art 1 s 4*

550.143 LEVY ON FUNDS AT A FINANCIAL INSTITUTION.

Subdivision 1. **Procedure.** When the sheriff is levying upon funds at a financial institution, this section must be complied with, in addition to the general provisions set forth in section 550.135.

Subd. 2. **Disclosure form.** Along with the writ of execution, the notice, instructions, and the exemption notice described in subdivision 3, the sheriff shall serve upon the financial institution an execution disclosure form which must be substantially in the following form:

State of Minnesota **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Execution Disclosure**

against

Debtor's full name

.....

and

Third Party (bank, employer, or other)

.....

This form is called a "Non-Earnings Disclosure" or "Disclosure." It is being sent to you because you might be holding property that belongs to the debtor, or you might owe money to the debtor.

You are the "third party" or "garnishee." The "debtor" is the person who owes money. The debtor is also called the "judgment debtor." The creditor is the person the debtor owes money to. The creditor is also called the "judgment creditor." The debtor owes $..... to the creditor.

You must list any money or property you owe the debtor on the lines below and sign the affirmation. Write "none" on the line if that is your answer. You must then return this disclosure to the creditor (or the creditor's lawyer) within 20 days after you got it.

Fill in the date you got this disclosure:

..... (month) ..... (day), ... (year)

On the date you got this disclosure, you owed the debtor:

(1) Money. Write down the amount of money you owe the debtor (except earnings).

.....

(2) Property. Write a short description of any personal property, instruments, or papers belonging to the debtor that you have in your possession. List the monetary value of each thing.

.....

(3) Setoff. If you claim a setoff, defense, lien, or claim against the amount on lines (1) and (2) above, enter that amount on the line below. State the facts about your claim. **Note:** Any payment the debtor makes to the garnishee within the 10 days before they get the first garnishment order on that debt can't be used to lower the amount that is being garnished.

.....

(4) Exemption. Enter any amounts or property that the debtor claims is exempt on the line below.

.....

(5) Adverse Interest. Enter on the line below any amounts of the debtor's property that other people claim they own or have interest in.

.....

(6) Enter the total of lines (3), (4), and (5) on the line below.

.....

(7) Enter the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2) on the line below.

.....

(8) Figure out 110 percent of the amount of the creditor's claim which is still unpaid. Enter it on the line below.

.....

(9) Look at (7) and (8). Put the smaller number on the line below. Hold this amount only if it is $10 or more.

.....

AFFIRMATION

I, ... (person signing Affirmation), am the garnishee or I am authorized by the garnishee to complete this non-earnings garnishment disclosure, and have done so truthfully and to the best of my knowledge.

Date: .....

Name: .....

Signature: .....

Title: .....

Phone: ..... Email: .....

Subd. 3. **Notice, instructions, and exemption notice.** If the levy is on funds of a judgment debtor who is a natural person and if the funds to be levied are held on deposit at any financial institution, the judgment creditor or its attorney shall provide the sheriff with a notice, instructions, and two copies of an exemption notice, which must be substantially in the form set forth below. The sheriff shall serve the notice, instructions,

and both copies of the exemption notice on the financial institution, along with the writ of execution. Failure of the sheriff to serve the notice, instructions, and the exemption notices renders the levy void, and the financial institution shall take no action. However, if this subdivision is being used to execute on funds that have previously been garnished in compliance with section 571.71, the judgment creditor is not required to serve additional exemption notices. In that event, the execution levy shall only be effective as to the funds that were subject to the prior garnishment. Upon receipt of the writ of execution, notice, instructions, and exemption notices, the financial institution shall retain as much of the amount due under section 550.04 as the financial institution has on deposit owing to the judgment debtor, but not more than 110 percent of the amount remaining due on the judgment.

Subd. 3a. **Form of notice.** The notice required by subdivision 3 must be provided as a separate form and must be substantially in the following form:

State of Minnesota **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Notice of Levied Funds**

Debtor's full name

.....

Third Party (bank, employer, or other)

.....

IMPORTANT NOTICE

Money in Your Account Has Been Frozen

The creditor has frozen money in your account at your bank.

Your account balance is $.....

The amount being held is $.....

The amount being held is frozen for 14 days from the date of this notice.

Some of your money in your account may be protected (the legal word is exempt). You may be able to get it sooner than 14 days if you act quickly and follow the instructions on the next page.

The attached exemption form lists some different ways money in your account may be protected. If your money comes from a benefit on this list, put a check in the box next to it. The creditor can't take it.

BUT, if you want the bank to unfreeze your money, **you must follow the instructions and return the exemption form with copies of your bank statements from the last 60 days**. Instructions and the form are attached. If you don't follow the instructions, your bank gives the money to your creditor. If your creditor

gets an order from the court or writ of execution, your bank gives the money to them. If that happens and your money is protected, you can still get it back from the creditor later. But filling out the form now is easiest.

See the attached *Exemption Form Instructions* and *Exemption Form* for your next steps.

Subd. 3b. **Form of instructions.** The instructions required by this section must be in a separate form and must be substantially in the following form:

Exemption Form Instructions

Note: The creditor is who you owe the money to. You are the debtor.

1. Fill out **both** of the attached exemption forms in this packet.

If you check one of the lines, you should also give proof. Use proof that shows that some or all of the money in your account is from one or more of the protected sources. This might be letters or account statements. Creditors may ask for a hearing if they question your exemptions.

To avoid a hearing:

(i) Case numbers should be added to the form.

(ii) Copies of documents should be sent with the form.

Notice: You must send copies of your bank statements for the past 60 days before the garnishment. Send them to the creditor's lawyer (or to the creditor, if there isn't a lawyer). Keep a copy of your bank statements in case there are questions about your claim. If you don't send bank statements to the creditor's lawyer (or to the creditor) along with your exemption claim, the financial institution may give your money to the creditor. They would do this once the creditor gives them a court order saying they have to turn over the funds.

2. **Sign** the exemption forms. **Make a copy to keep for yourself.**

3. **Mail or deliver** the other copies of the form by (insert date).

Both Copies Must Be Mailed or Delivered the Same Day.

One copy of the form and the copies of your bank statements go to:

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

One copy goes to:

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

How The Process Works

If You Don't Send in the Exemption Form and Bank Statements:

14 days after the date of this letter some or all of your money may be turned over to the creditor. This happens once they get an order from the court telling the bank to do this.

If You Do Send in the Exemption Form and Bank Statements:

Any money that is NOT protected can be turned over to the creditor once they get an order from the court.

If the Creditor Does Not Object to Your Claimed Exemptions:

The bank should unfreeze your money 6 business days after they get your completed form. If they don't, ask the creditor or the creditor's lawyer to send a release letter to the bank.

If the Creditor Objects to Your Claimed Exemptions:

The money you said is protected on the form is held by the bank. The creditor has 6 business days to object (disagree) and ask the court to hold a hearing. You get a Notice of Objection and a Notice of Hearing.

The bank holds the money until a court decides if your money is protected or not. Some reasons a creditor may object are because you didn't send copies of your bank statements or other proof of the benefits you got. Be sure to include these when you send your exemption form.

You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid statewide at 1(877) 696-6529.

Warnings and Fines

If you claim that your money is protected and a court decides you made that claim in bad faith, they can order you to pay costs, actual damages, lawyer fees, and a fine up to $100. Bad faith is when someone does something wrong on purpose. For example, it may be bad faith if you claim you get government benefits and you don't.

If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, lawyer fees, and a fine up to $100.

Subd. 3c. **Form of exemption form.** The exemption form required by this subdivision must be sent as a separate form and must be in substantially the following form:

State of Minnesota **District Court**

County of: ..... Judicial District: .....

Court File Number: .....

Case Type: .....

Creditor's full name

..... **Exemption Form**

against

Debtor's full name

.....

Bank's name

.....

A. How Much Money is Protected (Exempt)

..... I claim ALL of the money being frozen by the bank is protected.

..... I claim SOME of the money is protected. The amount I claim is protected is $.....

B. Why The Money is Protected

My money is protected because I get it from one or more of the following places: *(Check all that apply)*

Earnings (Wages)

ALL or SOME of my wages may be protected.

..... **Some** of my wages are protected because they were only deposited in my account in the last 20 days.

For wages that were deposited in your account within the last 20 days, the amount protected is whichever is more:

(i) 75% or more of your wages (after taxes are taken out), or

(ii) The current minimum wage times 40 per week. You can find the current minimum wage here: https://www.dli.mn.gov/minwage.

All of my wages are protected because:

..... I get government benefits (a list of government benefits is on the next page)

..... I am getting other assistance based on need

..... I have gotten government benefits in the last 6 months

..... I was in jail or prison in the last 6 months

If you check one of these 4 boxes, your wages are only protected for 60 days after they are deposited in your account. You **MUST send the creditor copies of bank statements** that show what was in your account **for the 60 days right before the bank froze your money**.

Government benefits

Government benefits can include many things. For example:

(i) **MFIP** - Minnesota Family Investment Program

(ii) **DWP** - MFIP Diversionary Work Program

(iii) **SNAP** - Supplemental Nutrition Assistance Program

(iv) **GA** - General Assistance

(v) **EGA** - Emergency General Assistance

(vi) **MSA** - Minnesota Supplemental Aid

(vii) **MSA-EA** - MSA Emergency Assistance

(viii) **EA** - Emergency Assistance

(ix) **Energy or Fuel Assistance**

(x) **Work Participation Cash Benefit**

(xi) **MA** - Medical Assistance

(xii) **MinnesotaCare**

(xiii) **Medicare Part B** - Premium Payments help

(xiv) **Medicare Part D** - Extra

(xv) **SSI** - Supplemental Security Income

(xvi) **Tax Credits** - federal Earned Income Tax Credit (EITC), MN Working family credit

(xvii) **Renter's Refund** (also called Renter's Property Tax Credit)

List the case number and county for every box you checked:

Case Number: ..... County: .....

Case Number: ..... County: .....

Case Number: ..... County: .....

Government benefits also include:

..... Social Security benefits

..... Unemployment benefits

..... Workers' compensation

..... Veterans' benefits

If you get any of these government benefits, include copies of any documents that show you get them.

..... I get other assistance based on need that is not on the list. It comes from: .....

.....

Make sure you include copies of any documents that show this.

C. Other Protected Funds

The money from these things are also completely protected after they are deposited in my account.

..... Child support

..... A retirement, disability, or accident pension or annuity

..... Earnings of my child who is under 18 years of age

..... Payments to me from a life insurance policy

..... Money paid to me from a claim for damage or destruction of property. Property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances.

..... Death benefits paid to me

I give my permission to any agency that has given me benefits to give information about my benefits to the creditor named above or to the creditor's lawyer. The information will **ONLY** be if I get assistance, or if I have gotten assistance in the past 6 months. If I was an inmate in the last 6 months, I give my permission to the correctional institution to tell the creditor named above or the creditor's lawyer that I was an inmate there.

You must sign this form and send it back to the creditor's lawyer (or to the creditor, if there is no lawyer) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you did it correctly.

I mailed or delivered a copy of this form to the creditor's lawyer (or to the creditor, if there is no lawyer) at the address listed below.

Creditor's Signature: .....

(or creditor's lawyer's signature)

Creditor's Name: .....

(or creditor's lawyer's name)

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

I also mailed or delivered a copy of this exemption form to my bank at the address listed below:

Bank's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: ..... Fax: .....

Email: .....

Date: .....

Debtor's Signature: .....

Debtor's Name: .....

Street Address: .....

City/State/Zip: .....

Phone: .....

Email: .....

Subd. 4. **Effect of exemption notice.** Within two business days after receipt of the writ of execution, notice, instructions, and two copies of the exemption notice, the financial institution shall serve upon the judgment debtor the notice, instructions, and two copies of the exemption notice. The financial institution shall serve these forms by first class mail to the last known address of the judgment debtor. If no claim of exemption is received by the financial institution within 14 days after the notice, instructions, and exemption notices are mailed to the judgment debtor, the funds remain subject to the execution levy and shall be remitted to the sheriff within six business days. If the judgment debtor elects to claim an exemption, the judgment debtor shall complete the exemption notice, sign it under penalty of perjury, and deliver one copy to the financial institution and one copy to the attorney for the judgment creditor within 14 days of the date postmarked on the correspondence mailed to the debtor containing the exemption notices. The judgment debtor is also required to include copies of bank statements for the prior 60 days with the exemption notice delivered to the attorney for the judgment creditor. In the event that there is no attorney for the judgment creditor, then the notice and bank statements must be sent directly to the judgment creditor. Failure of the judgment debtor to deliver the executed exemption notice or copies of the required bank statements for the prior 60 days does not constitute a waiver of any claimed right to an exemption. Upon timely receipt of a claim of exemption, funds not claimed to be exempt by the debtor remain subject to the execution levy. All money claimed to be exempt shall be released to the judgment debtor upon the expiration of six business days after the date postmarked on the envelope containing the executed exemption notice mailed to the financial institution, or the date of personal delivery of the executed exemption notice to the financial institution, unless within that time the judgment creditor interposes an objection to the exemption.

Subd. 5. **Objection and request for hearing.** (a) An objection shall be interposed within six business days of receipt by the creditor of an exemption claim from the debtor, by mailing or delivering one copy of the Notice of Objection and Notice of Hearing to the financial institution and one copy of the Notice of Objection and Notice of Hearing to the judgment debtor. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section. The Notice of Objection and Notice of Hearing must be substantially in the form specified in subdivision 7.

(b) The court administrator may charge a fee of $1 for the filing of a Notice of Objection and Notice of Hearing. Upon the filing of a Notice of Objection and Notice of Hearing, the court administrator shall schedule the matter for hearing no sooner than five business days but no later than seven business days from the date of filing. A debtor may request continuance of the hearing by notifying the creditor and the court. The court shall schedule the continued hearing within seven days of the original hearing date.

(c) An order stating whether the debtor's funds are exempt must be issued by the court within three days of the date of the hearing.

Subd. 6. **Duties of financial institution if objection is made to exemption claim.** Upon receipt of a Notice of Objection and Notice of Hearing from the creditor or its attorney within the specified six-day period, the financial institution shall retain the funds claimed to be exempt. The financial institution shall retain the funds claimed to be exempt until otherwise ordered by the court or upon mutual agreement of the parties.

Subd. 7. **Form of Notice of Objection and Notice of Hearing.** (a) The Written Objection and Notice of Hearing must be in substantially the following form:

STATE OF MINNESOTA DISTRICT COURT

COUNTY OF .... JUDICIAL DISTRICT

.....

(Creditor)

CREDITOR'S NOTICE OF OBJECTION AND NOTICE OF HEARING ON EXEMPTION CLAIM

.....

(Debtor)

.....

(Financial Institution)

(DEBTOR)

.....

ADDRESS

.....

.....

.....

.....

.....

(CREDITOR OR CREDITOR'S ATTORNEY)

NOTICE OF HEARING

The creditor objects to your exemption claim. This hearing is to resolve your exemption claim.

Hearing Date: .....

Time: .....

Hearing Place: .....

The creditor objects to your claim of exemption from levy of execution for the following reason(s):

.....

.....

.....

(Note: Bring with you to the hearing all documents and materials supporting your exemption claim. Failure to do so could delay the court's decision.**)**

If the creditor receives all documents and materials supporting your exemption claim before the hearing date, the creditor may agree with your exemption claim and you might still be able to avoid a hearing.

Because a court hearing will be held on your claim that your funds are protected, your financial institution will retain the funds until it receives an order from the court or upon mutual agreement between you and your creditor.

Subd. 8. MS 2008 [Repealed by amendment, 2009 c 31 s 1]

Subd. 9. **Release of funds.** At any time during the procedure specified in this section, the judgment debtor or the judgment creditor may, by a writing dated after the service of the execution, direct the sheriff or the financial institution to release the funds in question to the other party. Upon receipt of a release, the sheriff or the financial institution shall release the funds as directed.

Subd. 10. **Subsequent proceedings; bad faith claims.** If in subsequent proceedings brought by the judgment debtor or the judgment creditor, the claim of exemption is not upheld, and the court finds that it was asserted in bad faith, the judgment creditor shall be awarded actual damages, costs, and reasonable attorney fees resulting from the additional proceedings, and an amount not to exceed $100. If the claim of exemption is upheld, and the court finds that the judgment creditor disregarded the claim of exemption in bad faith, the judgment debtor shall be awarded costs, reasonable attorney fees, actual damages, and an amount not to exceed $100. The underlying judgment must be modified to reflect assessment of damages, costs, and attorney fees. However, if the party in whose favor a penalty assessment is made is not actually indebted to the party's attorney for fees, the attorney's fee award shall be made directly to the attorney and, if not paid, an appropriate judgment in favor of the attorney shall be entered. Upon motion of any party in

interest, on notice, the court shall determine the validity of any claim of exemption, and may make any order necessary to protect the rights of those interested. No financial institution is liable for damages for complying with this section. Both copies of an exemption claim or an objection to an exemption claim must be mailed or delivered on the same date. The financial institution may rely on the date of mailing or delivery of a notice to it in computing any time periods in this section.

History: *1990 c 606 art 1 s 5; 1992 c 464 art 1 s 56; 1993 c 156 s 5; 1994 c 488 s 8; 1998 c 254 art 1 s 107; 1999 c 107 s 66; 1999 c 159 s 142; 2000 c 343 s 4; 2000 c 405 s 3-5; 2009 c 31 s 1; 2015 c 21 art 1 s 109; 1Sp2019 c 9 art 1 s 42; 2025 c 18 s 3-6*

550.15 CERTIFICATE TO BE FURNISHED OFFICER.

When the officer, with a writ of attachment or an execution against the defendant, applies to any person mentioned in section 550.135 for the purpose of attaching or levying upon property mentioned therein, such person shall furnish the officer with a certificate showing the description and amount of the property of the judgment debtor held by such person or corporation, the number of rights or shares of such debtor in the stock of the corporation, with any dividend thereon, or the debt owing to the judgment debtor, with any encumbrance upon the property; and, on refusal so to do, such person may be required by the court to attend before it and be examined on oath concerning the same.

History: *(9430) RL s 4301; 1986 c 444; 1996 c 305 art 1 s 117*

550.16 LEVY ON PLEDGED OR MORTGAGED CHATTELS.

When personal property is pledged or mortgaged for the payment of money or the performance of any contract or agreement, the right and interest of the pledgor or mortgagor in such property may be sold on execution against the pledgor or mortgagor, and the purchaser shall acquire all the pledgor's or mortgagor's right and interest therein, and be entitled to the possession of such property, on complying with the terms and conditions of the pledge or mortgage.

History: *(9301) 1913 c 63 s 1; 1955 c 220 s 1; 1986 c 444*

550.17 LEVY ON GROWING CROPS.

A levy may be made upon any unharvested crops, but no sale shall be made until they are ripe or fit to be harvested. Any levy under an execution issued by a court shall be continued beyond its return day if necessary and its execution may be completed at any time within 30 days after the crops are ripe or fit to be harvested.

History: *(9432) RL s 4303; 1983 c 359 s 78*

550.175 EXECUTION ON REAL PROPERTY THAT INCLUDES HOMESTEAD.

Subdivision 1. **Order directing sale of real property.** The executing creditor must obtain an order from the court directing a sale of the real property that includes a homestead before service of the notice of execution on real property containing the homestead of the debtor. The order shall contain the following findings:

(1) whether the real property is the homestead of a nondebtor;

(2) the amount of the debtor's homestead exemption, if any; and

(3) whether the fair market value of the real property exceeds the sum of the debtor's homestead exemption and the present encumbrances.

If the court finds that there is no nondebtor with a valid homestead interest in the real property and that the fair market value of the homestead real property exceeds the sum of the debtor's homestead exemption and the present encumbrances, the court shall order a sale of the real property for cash or cash equivalents to the extent of the homestead exemption at the time of sale.

Subd. 1a. **Notification of homestead designation.** If real property is to be sold on execution and the property contains a portion of the homestead of the debtor, the debtor must be notified by the executing creditor that the homestead may be sold and redeemed separately from the remaining property. The notice in subdivision 2 must be included in the notice of execution served on the debtor under section 550.19.

Subd. 2. **Homestead designation notice.** The following notice must be included in the execution notice of real property containing a homestead that is served on a debtor under section 550.19. The notice must be in 10 point capitalized letters.

"PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE. YOU MAY DESIGNATE THE AREA OF A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.

YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.

YOU MUST PROVIDE THE CREDITOR CAUSING THIS PROPERTY TO BE SOLD, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."

Subd. 3. **Designation of homestead property.** The debtor must designate the legal description of the homestead property to be sold separately and the debtor's estimate of the value of the property. The homestead property designated may include any amount of the property. The designation must conform to local zoning, include the dwelling occupied by the debtor, and be compact so that it does not unreasonably affect the value of the remaining property. The debtor must serve a copy of the designation on the executing creditor, the sheriff, and the county recorder by ten business days before the sale is scheduled.

Subd. 4. **Sale of property.** (a) If the sheriff receives a homestead property designation under subdivision 3, the sheriff must offer and sell the designated homestead property, and the remaining property, separately, unless the executing creditor denies the right to the exemption, objects to the property designated, or claims the value exceeds the exemption.

(b) If the executing creditor is dissatisfied with the homestead property designation or the debtor's valuation of the property, upon proper motion to the district court of the county in which any part of the property is located, the executing creditor is entitled to a court approved designation of the homestead and a court determination of value. The court shall either approve the debtor's designation or cause the property to be surveyed and order a homestead designation consistent with the standards of subdivision 3 and require an appraisal of fair market value, as applicable. The court's designation of the homestead property must conform to the debtor's request, to the extent not inconsistent with the standards of subdivision 3.

(c) The court, in determining appraised value, shall review any appraisals provided by the debtor and executing creditor and may require a court appointed independent appraisal. The appraisals shall evaluate the property's fair market value, net of reasonable costs of sale.

(d) If the court determines that the property claimed as a homestead exceeds in value the amount of the homestead exemption or if the court determines that the property cannot be divided without material injury, the court shall order the sale of the entire property, including the designated homestead for cash or cash equivalents to the extent of the homestead exemption at the time of sale.

(e) At the sale, no bid may be accepted unless it exceeds the amount of the homestead exemption. If no bid exceeds the exemption, the homestead is exempt.

(f) The cost of any court ordered survey or appraisal and of the sale must be collected on the execution, if the debtor designated as the debtor's homestead a greater quantity of property, property of greater value than the debtor was entitled to, or designated a parcel that does not meet the standards of subdivision 3. In all other cases, the costs shall be borne by the executing creditor.

Subd. 5. **Redemption.** The debtor may redeem the designated homestead, the remaining property, or the entire property including the homestead. The period of redemption for the designated homestead or the remaining property is the same as the period of redemption for the entire property including the designated homestead.

Subd. 6. **Real property not subject to execution.** Real property that includes a homestead as defined under section 510.01 is not subject to execution under this chapter if there is a nondebtor with:

(1) homestead rights under sections 507.02 and 510.01 to 510.04;

(2) rights as a joint tenant or life tenant; or

(3) rights to take the homestead under section 524.2-402.

History: *1986 c 398 art 2 s 1; 1993 c 79 s 5,6; 2007 c 105 s 5-7; 2007 c 106 s 13-15*

550.18 NOTICE OF SALE.

Before the sale of property on execution notice shall be given as follows:

(1) if the sale be of personal property, by giving ten days posted notice of the time and place thereof;

(2) if the sale be of real property, on execution or on judgment, by six weeks posted and published notice of the time and place thereof, describing the property with sufficient certainty to enable a person of common understanding to identify it; and

(3) a judgment creditor shall record a certified copy of the order directing sale of real property issued pursuant to section 550.175, if the real property is a homestead, with the county recorder or registrar of titles as appropriate in the county in which the real property is located before the first date of publication of the notice of sale required under clause (2).

An officer who sells without such notice shall forfeit $100 to the party aggrieved, in addition to paying actual damages; and a person who before the sale or the satisfaction of the execution, and without the consent of the parties, takes down or defaces the notice posted, shall forfeit $50; but the validity of the sale shall not be affected by either act, either as to third persons or parties to the action.

History: *(9433) RL s 4304; 1986 c 444; 2007 c 105 s 8; 2007 c 106 s 16*

550.19 SERVICE ON JUDGMENT DEBTOR.

If the sale is of personal property, at or before the time of posting notice of sale, the officer shall serve a copy of the execution and inventory, and of the notice, upon the judgment debtor, if the debtor is a resident of the county, in the manner required by law for the service of a summons in a civil action. If the sale is of real property, a judgment creditor must, at least four weeks before the appointed time of sale, serve a copy of the notice of sale in like manner as a summons in a civil action in the district court upon the judgment debtor if the judgment debtor is a resident of the county and upon any person in possession of the homestead other than the judgment debtor. In addition, the notice of sale must also be served upon all persons who have recorded a request for notice in accordance with section 580.032.

History: *(9434) RL s 4305; 1986 c 444; 2007 c 105 s 9; 2007 c 106 s 17; 2008 c 341 art 5 s 3*

550.20 SALE, WHEN AND HOW.

The sale shall be by auction, between 9:00 a.m. and sunset, in the county where the property or some part thereof is situated. If the sale is of personal property capable of manual delivery, it shall be within view of those who attend, and shall be sold in such parcels as are likely to bring the highest price. If of real property consisting of several known parcels, the parcels shall be sold separately; and, if a portion thereof is claimed by a third person who requires it to be sold separately, it shall be so sold. No more shall be sold than is sufficient to satisfy the execution, and neither the officer nor the officer's deputy may purchase.

History: *(9435) RL s 4306; 1986 c 444*

550.205 MS 1986 [Repealed, 1986 c 398 art 2 s 4]

550.206 REPORT OF SALE OF HOMESTEAD ON EXECUTION; CONFIRMATION; RESALE.

Upon sale of a homestead on execution, the sheriff shall file a report of the sale with the court. Upon the filing of the report of sale, the court shall grant an order confirming the sale, or, if it appears upon due examination that justice has not been done, the court may order a resale on terms the court determines are just. Upon confirmation of the sale and execution of the certificate of sale, the sheriff shall hold the amount of the homestead exemption in trust for the judgment debtor until the debtor vacates the property, or the redemption period expires, whichever occurs first. The balance of the proceeds of the sale shall be applied to the execution. The sheriff shall pay any surplus thereafter in the manner provided in section 580.09.

History: *2007 c 105 s 10; 2007 c 106 s 18*

550.21 SALE OF CORPORATE STOCK.

In case of the sale of any rights or shares in the stock of a corporation, the sheriff shall execute to the purchaser a certificate of such sale, which shall transfer to the purchaser all the rights of the judgment debtor in respect thereto.

History: *(9436) RL s 4307; 1986 c 444*

550.22 CERTIFICATE OF SALE OF REAL PROPERTY.

When a sale of real property is made upon execution, or pursuant to a judgment or order of a court, unless otherwise specified therein, the officer shall execute and deliver to the purchaser a certificate containing:

(1) a description of the execution, judgment, or order;

(2) a description of the property;

(3) the date of the sale and the name of the purchaser;

(4) the price paid for each parcel separately;

(5) if subject to redemption, the time allowed by law therefor;

(6) the interest rate in effect on the date of the sheriff's sale; and

(7) the amount of the debtor's homestead exemption, if any, as determined under section 550.175.

Such certificate shall be executed, acknowledged, and recorded in the manner provided by law for a conveyance of real property, shall be prima facie evidence of the facts stated, and, upon expiration of the time for redemption, shall operate as a conveyance to the purchaser of all the right, title, and interest of the person whose property is sold in and to the same, at the date of the lien upon which the same was sold. Any person desiring to perpetuate evidence that any real property sold under this section was not homestead real property may procure an affidavit by the person enforcing the judgment, or that person's attorney, or someone having knowledge of the facts, setting forth that the real property was not homestead real property. The affidavit shall be recorded by the county recorder or registrar of titles, and the affidavit and certified copies of the affidavit shall be prima facie evidence of the facts stated in the affidavit.

History: *(9437) RL s 4308; 2007 c 105 s 11; 2007 c 106 s 19; 2008 c 341 art 5 s 4*

550.23 INTEREST OF PURCHASER SUBJECT TO ATTACHMENT OR JUDGMENT.

The interest acquired upon any sale is subject to the lien of an attachment or judgment duly made or docketed against the person holding the same, as in case of real property, and may be attached or sold on execution in the same manner.

History: *(9439) RL s 4309*

550.24 REDEMPTION OF REAL PROPERTY.

(a) Upon the sale of real property, if the estate sold is less than a leasehold of two years' unexpired term, the sale is absolute. In all other cases the property sold, or any portion thereof which has been sold separately, is subject to redemption as provided in this section.

(b) The judgment debtor, the debtor's heirs, successors, legal representatives, or assigns may redeem within one year after the day of sale, or order confirming sale if the property is a homestead, by paying, to the purchaser or the officer making the sale, the amount for which the property was sold with interest at the rate stated in the certificate of sale, and if no rate is provided in the certificate of sale, the lesser of the judgment rate in effect on the date of the sale or six percent per annum, on the amount of the sale in excess of the homestead exemption, and if the purchaser is a creditor having a prior lien, the amount thereof, with interest, on the amount of the sale in excess of the homestead exemption, at the judgment rate together with any costs as provided in sections 582.03 and 582.031.

(c) If there is no redemption during the debtor's redemption period, creditors having a lien, legal or equitable, on the property or some part thereof, subsequent to that on which it was sold may redeem in the manner provided for redemption by creditors of the mortgagor in section 580.24, in the order of their respective liens.

(d) If the property is abandoned during the judgment debtor's redemption period, the person holding the sheriff's certificate may request that the court reduce the judgment debtor's redemption period to five weeks using the procedures provided for a foreclosure by action in section 582.032, subdivision 5.

History: *(9440) RL s 4310; 1986 c 444; 2000 c 320 s 5; 2007 c 105 s 12; 2007 c 106 s 20; 2008 c 341 art 5 s 5*

550.25 MS 1998 [Repealed, 2000 c 320 s 9]

550.26 REDEMPTION, HOW MADE.

The person desiring to redeem shall pay to the person holding the right acquired under such sale, or for the person to the sheriff or the court administrator of the district court of the county in which the real property is situated, the amount required by law for such redemption, and shall produce to such person or officer the same documents required by law to be produced by a person desiring to redeem from a sale of real property under foreclosure of a mortgage by advertisement; and the person redeeming shall cause such documents to be filed with the county recorder as required in the case of redemption from such foreclosure sale.

History: *(9442) RL s 4312; 1976 c 181 s 2; 1986 c 444; 1Sp1986 c 3 art 1 s 82*

550.27 CERTIFICATE OF REDEMPTION; EFFECT OF REDEMPTION.

The person or officer from whom such redemption is made shall execute to the person redeeming a certificate in substantially the same form as the certificate required by law to be executed on redemption from a sale of real property under foreclosure of a mortgage by advertisement; and all the provisions of law applicable to the recording and to the effect of such certificate, and to the effect of redemption of the property sold on such foreclosure sale, by the owner, the owner's heirs, personal representatives, or assigns, or by creditors, shall be applicable to the certificate required by this section, and to redemption made under this chapter.

History: *(9443) RL s 4313; 1986 c 444*

550.28 SALE IRREGULAR OR JUDGMENT REVERSED.

If the purchaser of real property sold on execution, or the purchaser's successor in interest, be evicted therefrom in consequence of irregularities in the proceedings concerning the sale, or of the reversal or discharge of the judgment, the purchaser or successor may recover from the judgment creditor the price paid, with interest. When such recovery is had in consequence of irregularity, the judgment creditor shall thereupon be entitled, within ten years after such eviction, to a new execution on the judgment for the price paid on the sale, with interest; and for that purpose the judgment shall be deemed valid against the judgment debtor, the debtor's personal representatives, heirs, or devisees, but not against a purchaser or encumbrancer in good faith who became such before a levy on such new execution.

History: *(9444) RL s 4314; 1986 c 444*

550.29 REDEMPTION PENDING ACTION TO SET ASIDE EXECUTION SALE.

When an action is brought to set aside an execution sale of land, and the time of redemption from such sale may expire before final judgment therein, any person having the right to redeem therefrom, for the purpose of saving such right, may deposit with the sheriff, before the time of redemption expires, the amount that will be necessary to redeem such premises at the date of such expiration, together with a bond in an amount and with sureties to be approved by such sheriff, conditioned to pay all interest that may accrue or be allowed on such deposit until final redemption as hereinafter provided. Such deposit and bond shall

operate to extend the time of redemption for 30 days after the final determination of such action, during which time any person entitled by law to redeem may do so by paying to the sheriff the amount of such deposit with accrued interest. The deposit and bond shall be brought to the attention of the court by supplemental complaint in the action, and the judgment shall determine the validity of the execution sale, and the right of the parties to the moneys and bonds so deposited, which shall be paid and delivered by the sheriff as directed by such judgment, upon delivery to the sheriff of a certified copy thereof. The remedy herein provided shall be in addition to other remedies now existing.

History: *(9445) RL s 4315; 1986 c 444*

550.30 CREDITOR MAY REDEEM IN CERTAIN CASES.

Any creditor whose claim shall have been proved and allowed by a court of this state against the estate of a deceased debtor shall have the right, as a creditor of such decedent, to redeem the lands of the decedent from a sale thereof upon the foreclosure of a mortgage, or upon an execution, in the order and in the manner herein provided.

History: *(9445-1) 1929 c 195 s 1; 1995 c 189 s 8; 1996 c 277 s 1*

550.31 CREDITOR TO RECORD ORDER WITH COUNTY RECORDER.

For the purpose of such redemption a creditor whose claim against the estate of a decedent shall have been so allowed shall record in the office of the county recorder of the county in which the real estate sought to be redeemed is situated, within the year of redemption, a certified copy of the order of the court allowing such claim, and thereupon such claim shall constitute a lien upon the unexempt real estate of the decedent sold upon foreclosure or execution. The creditor shall also within such time file a notice in the office of such county recorder briefly describing the sale of the decedent's lands, a description of the lands sold, and stating, in a general way, the nature, date and amount of the claim of the creditor, and that the creditor intends to redeem such lands from the sale thereof described in such notice. In the case of redemption from execution sales such notice shall also be filed in the office of the court administrator of the district court in which such lands are situated.

History: *(9445-2) 1929 c 195 s 2; 1976 c 181 s 2; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 1995 c 189 s 8; 1996 c 277 s 1; 2005 c 4 s 131*

550.32 RECORDING TO DETERMINE PRIORITY.

In the event more than one such proved and allowed claim shall be so recorded for the purposes of such redemption, then, as between the owners of such claims, their right to redeem shall be in the order in which such claims were originally recorded, succession commencing with the oldest in point of time; that as to the creditors of the decedent having a lien or liens, either legal or equitable, upon the lands of a decedent and existing otherwise than by allowance in probate, the creditors of the decedent whose claims have been allowed in probate shall be subsequent or junior thereto.

History: *(9445-3) 1929 c 195 s 3; 2005 c 4 s 132*

550.33 CREDITOR MAY REDEEM WHEN.

If no redemption is made by the personal representative of the deceased debtor, or by the assigns of such decedent, within one year after the date of such sale, or within one year after the date of the confirmation of such sale, as the case may be, the senior creditor having a lien, legal or equitable, upon the premises sold upon the foreclosure of a mortgage or upon execution, and subsequent to the mortgage or judgment lien

under or by reason of which the premises were sold, including the creditors of a deceased debtor whose claims have been perfected and recorded as herein provided, may redeem within five days after the expiration of said 12 months by payment of the amount required by law for that purpose; and each subsequent creditor having a lien in succession, according to priority of liens, within five days after the time allowed the prior lienholder, respectively, may redeem by paying the amount aforesaid and all liens prior to the creditor's own held by the person from whom redemption is made.

History: *(9445-4) 1929 c 195 s 4; 1986 c 444*

550.34 DISTRICT COURT TO DETERMINE AMOUNT.

When any such creditor redeems from the foreclosure of a mortgage under the provisions of sections 550.30 to 550.35 the district court shall determine the amount that shall be credited on the creditor's claim against the estate.

History: *(9445-5) 1929 c 195 s 5; 1986 c 444; 1995 c 189 s 8; 1996 c 277 s 1*

550.35 REDEMPTION.

Except as provided in sections 550.30 to 550.34, all such redemption shall have the force and be governed by and subject to all of the requirements of the statutes relating to the redemption of real estate from mortgage and execution sales now or hereafter in force.

History: *(9445-6) 1929 c 195 s 6*

550.36 STAY OF EXECUTION ON MONEY JUDGMENT.

(a) This section is an alternative to the Minnesota Rule of Civil Appellate Procedure, Rule 108.02, subdivision 3. Execution of a judgment for the payment of money only shall be stayed during the course of all appeals or discretionary appellate reviews of a judgment if, within ten days after the entry thereof, the judgment debtor shall file with the court administrator a bond, running to the judgment creditor, the creditor's personal representatives, and assigns. The amount of the bond must be in the amount of the judgment, or a lesser amount approved by the court in the interests of justice. The total appeal bond that is required of all appellants must not exceed $150,000,000, regardless of the value of the judgment. The bond must be conditioned for the payment of the judgment, with interest during the time for which the stay is granted. Interest shall be computed in the same manner and at the same rate provided for interest on verdicts in section 549.09. Within two days thereafter notice that such bond has been filed, with a copy of the same, shall be served on the judgment creditor, if the creditor be a resident of the county, or upon the creditor's agent or attorney, if the creditor has one, and the judgment creditor may except to the sufficiency of the bond; and, upon the creditor's application upon notice or order to show cause, the court, if it find the bond insufficient, may order execution to issue notwithstanding the same, unless the judgment debtor give such further bond as it shall deem sufficient. If the condition of any such bond be not performed, the execution shall issue for the amount of the judgment, with interest and costs, against the judgment debtor and the sureties. When an execution issues against sureties the officer shall certify in the return what amount, if any, was collected from them and the date thereof. If a stay be granted after execution issued, any levy made thereon shall be released and the execution shall be returned and the reason noted by the officer.

(b) Notwithstanding paragraph (a), if a judgment creditor provides evidence that a judgment debtor may be dissipating assets to avoid payment of a judgment, a court may enter orders that:

(1) are necessary to protect the judgment creditor; and

(2) require the judgment debtor to post a bond in an amount up to the total amount of the judgment.

History: *(9446) RL s 4316; 1979 c 105 s 2; 1979 c 289 s 5; 1986 c 444; 1Sp1986 c 3 art 1 s 82; 2004 c 190 s 1*

550.365 MEDIATION NOTICE AND REQUIREMENTS FOR AGRICULTURAL PROPERTY.

Subdivision 1. **Requirement.** A person may not attach, execute on, levy on, or seize agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than the amount provided in section 583.24, subdivision 5, unless: (1) a mediation notice is served on the judgment debtor and a copy served on the director and the debtor and creditor have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO: ....(Name of Judgment Debtor)....

A JUDGMENT WAS ORDERED AGAINST YOU BY ....(Name of Court).... ON....(Date of Judgment).

AS A JUDGMENT CREDITOR, ...(Name of Judgment Creditor).... INTENDS TO TAKE ACTION AGAINST THE AGRICULTURAL PROPERTY DESCRIBED AS....(Description of Agricultural Property).... TO SATISFY THE JUDGMENT IN THE AMOUNT OF ....(Amount of Debt)....

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE MINNESOTA EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE FROM THE DIRECTOR OF THE MINNESOTA EXTENSION SERVICE.

FROM: ....(Name and Address of Judgment Creditor)...."

History: *1986 c 398 art 1 s 2,18; 1987 c 292 s 6,37; 1989 c 350 art 16 s 8; 1990 c 525 s 1; 1991 c 208 s 2; 1Sp1993 c 2 art 6 s 2; 1995 c 212 art 2 s 11; 1997 c 183 art 3 s 29; 1998 c 395 s 7; 1998 c 402 s 6; 1999 c 214 art 2 s 19; 2001 c 195 art 1 s 23; 1Sp2001 c 1 art 2 s 25; 1Sp2001 c 2 s 150; 2009 c 94 art 1 s 94; 2017 c 88 art 2 s 78; 2023 c 52 art 19 s 30*

NOTE: See section 583.215 for expiration of this section.

550.366 JUDGMENTS ON DEBTS RELATED TO AGRICULTURAL PROPERTY.

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given:

(1) "Agricultural property" means personal property that is used in a farm operation.

(2) "Farm debtor" means a person who has incurred debt while in the operation of a family farm, a family farm corporation, or an authorized farm corporation as defined in section 500.24, subdivision 2.

Subd. 2. **Limits on execution.** A judgment for the unpaid balance of a debt on agricultural property owed by a farm debtor may not be executed upon real or personal property after three years from the date the judgment was entered.

Subd. 3. **Attachment to newly acquired property.** A judgment for the unpaid balance of a debt on agricultural property owed by a farm debtor does not attach to real or personal property that is acquired by the farm debtor after the judgment is entered.

History: *1987 c 292 s 1*

550.37 PROPERTY EXEMPT.

Subdivision 1. **Exemption.** The property mentioned in this section is not liable to attachment, garnishment, or sale on any final process, issued from any court.

Subd. 2. **Sacred possessions.** The Bible, Torah, Qur'an, prayer rug, and other religious items in an aggregate amount not exceeding $2,200.

Subd. 2a. **Library.** A personal library in an aggregate amount not exceeding $825.

Subd. 2b. **Musical instruments.** Musical instruments in an aggregate amount not exceeding $2,200.

Subd. 2c. **Family pets.** Family pets in an aggregate amount not exceeding $1,100.

Subd. 3. **Pew and burial lot.** A seat or pew in any house or place of public worship and a lot in any burial ground.

Subd. 4. **Personal goods.** (a) All wearing apparel, one watch, utensils, and foodstuffs of the debtor and the debtor's family.

(b) Household furniture, household appliances, radios, computers, tablets, televisions, printers, cell phones, smart phones, and other consumer electronics of the debtor and the debtor's family, not exceeding $12,600 in value.

(c) The debtor's aggregate interest, not exceeding $3,430 in value, in jewelry.

The exemption provided by this subdivision may not be waived except with regard to purchase money security interests. Except for a pawnbroker's possessory lien, a nonpurchase money security interest in the property exempt under this subdivision is void.

If a debtor has property of the type which would qualify for the exemption under clause (b), of a value in excess of $12,600 an itemized list of the exempt property, together with the value of each item listed, shall be attached to the security agreement at the time a security interest is taken, and a creditor may take a nonpurchase money security interest in the excess over $12,600 by requiring the debtor to select the exemption in writing at the time the loan is made.

Subd. 4a. **Adjustment of dollar amounts.** (a) Except for subdivisions 5 and 7, the dollar amounts in this section shall change periodically as provided in this subdivision to the extent of changes in the implicit price deflator for the gross domestic product, 2005 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December 2011 is the reference base index.

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more. The portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts stated in this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the Department of Commerce. If the index is superseded, the index referred to in this section is the one represented by the Department of Commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner of commerce shall:

(1) announce and publish on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b);

(2) announce and publish promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index; and

(3) promptly notify the revisor of statutes in writing of the changes announced and published by the commissioner pursuant to clauses (1) and (2). The revisor shall publish the changes in the next edition of Minnesota Statutes.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if the person relies on dollar amounts either determined according to paragraph (b) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

Subd. 5. **Farm machines.** Farm machines and implements used in farming operations by a debtor engaged principally in farming, livestock, farm produce, and standing crops, not exceeding $13,000 in value. When a debtor is a partnership of spouses or a partnership of natural persons related to each other within the third degree of kindred according to the rules of the civil law, for the purposes of the exemption in this subdivision, the partners may elect to treat the assets of the partnership as assets of the individual partners.

Subd. 6. **Tools of trade.** The tools, implements, machines, instruments, office furniture, stock in trade, and library reasonably necessary in the trade, business, or profession of the debtor, not exceeding $13,500 in value.

Subd. 7. **Value limitations.** The total value of property selected by a debtor pursuant to subdivisions 5 and 6 shall not exceed $13,000, if the exemptions under subdivisions 5 and 6 are combined.

Subd. 8. **University apparatus.** The library and philosophical and chemical or other apparatus belonging to, and used for the instruction of youth in, any university, college, seminary of learning, or school which is indiscriminately open to the public.

Subd. 9. **Exempt property claims.** All money arising from any claim on account of the destruction of, or damage to, exempt property.

Subd. 10. **Insurance proceeds.** All money received by, or payable to, a surviving spouse or child from insurance payable at the death of a spouse, or parent, not exceeding $56,000. The $56,000 exemption provided by this subdivision shall be increased by $14,000 for each dependent of the surviving spouse or child.

Subd. 11. **Beneficiary associations.** All money, relief, or other benefits payable or to be rendered by any police department association, fire department association, beneficiary association, or fraternal benefit association to any person entitled to assistance therefrom, or to any certificate holder thereof or beneficiary under any such certificate.

[See Note.]

Subd. 12. **Manufactured home.** A manufactured home, as defined in section 168.002, subdivision 16, which is actually inhabited as a home by the debtor.

Subd. 12a. **Motor vehicles.** One of the following: (1) one motor vehicle, to the extent of a value not exceeding $10,200; (2) one motor vehicle that is regularly used by or for the benefit of a physically disabled person, as defined under section 169.345, subdivision 2, to the extent of a value not exceeding $27,500; (3) one motor vehicle, to the extent of a value not exceeding $110,000, that has been designed or modified to accommodate the disability making a disabled person eligible for a certificate authorized by section 169.345; or (4) one motor vehicle reasonably necessary for use in the trade, business, or profession of the debtor, to the extent of a value not to exceed $13,750.

Subd. 13. **Earnings.** All earnings not subject to garnishment by the provisions of section 571.922. A subsequent attachment, garnishment, or levy of execution shall impound only that pay period's nonexempt disposable earnings not subject to a prior attachment, garnishment or levy of execution, but in no instance shall more than an individual's total nonexempt disposable earnings in that pay period be subject to attachment, garnishment, or levy of execution. Garnishments shall impound the nonexempt disposable earnings in the order of their service upon the employer. The disposable earnings exempt from garnishment are exempt as a matter of right, whether claimed or not by the person to whom due. The exemptions may not be waived. The exempt disposable earnings are payable by the employer when due. The exempt disposable earnings shall also be exempt for 20 days after deposit in any financial institution, whether in a single or joint account. This 20-day exemption also applies to any contractual setoff or security interest asserted by a financial institution in which the earnings are deposited by the individual. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. As used in this section, the term "financial institution" includes credit unions. Nothing in this paragraph shall void or supersede any valid assignment of earnings or transfer of funds held on account made prior to the attachment, garnishment, or levy of execution.

Subd. 14. **Public assistance.** All government assistance based on need, and the earnings or salary of a person who is a recipient of government assistance based on need, shall be exempt from all claims of creditors including any contractual setoff or security interest asserted by a financial institution. For the purposes of this chapter, government assistance based on need includes but is not limited to Minnesota family investment program; Supplemental Security Income; medical assistance; MinnesotaCare, payment of Medicare part B premiums or receipt of part D extra help; MFIP diversionary work program; work participation cash benefit; Minnesota supplemental assistance; emergency Minnesota supplemental assistance; general assistance; emergency general assistance; emergency assistance or county crisis funds; energy or fuel assistance; Supplemental Nutrition Assistance Program (SNAP); and any federal or state tax credit received by eligible

low-income taxpayers, including but not limited to the earned income tax credit, the Minnesota working family credit, and renter's credit. The salary or earnings of any debtor who is or has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution shall, upon the debtor's return to private employment or farming after having been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution for a period of six months after the debtor's return to employment or farming and after all public assistance for which eligibility existed has been terminated. The exemption provisions contained in this subdivision also apply for 60 days after deposit in any financial institution, whether in a single or joint account. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing government assistance and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been an eligible recipient of government assistance based on need, or an inmate of a correctional institution, within the preceding six months.

Subd. 15. **Minor child earnings.** The earnings of the minor child of any debtor and any child support paid to any debtor, or the proceeds thereof, by reason of any liability of such debtor not contracted for the special benefit of such minor child.

Subd. 16. **Claims for damages.** The claim for damages recoverable by any person by reason of a levy upon or sale under execution of the person's exempt personal property, or by reason of the wrongful taking or detention of such property by any person, and any judgment recovered for such damages.

Subd. 17. **Selection.** All articles exempted by this section shall be selected by the debtor, the debtor's agent, or legal representative.

Subd. 18. **Natural persons limitation.** The exemptions provided for in subdivisions 3 to 15 extend only to debtors who are natural persons except as provided in subdivision 5 for partnerships.

Subd. 19. **Waiver.** The exemption of the property listed in subdivisions 2, 3, and 5 to 12a may not be waived except by a statement in substantially the following form, in boldface type of a minimum size of 12 points, signed and dated by the debtor at the time of the execution of the contract surrendering the exemption, immediately adjacent to the listing of the property: "I understand that some or all of the above property is normally protected by law from the claims of creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract."

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

Subd. 21. **Value.** For the purpose of this section, "value" means current fair market value.

Subd. 22. **Rights of action.** Rights of action or money received for injuries to the person of the debtor or of a relative whether or not resulting in death. Injuries to the person include physical, mental, and emotional injuries.

Subd. 23. **Life insurance aggregate interest.** The debtor's aggregate interest not to exceed in value $11,200 in any accrued dividends or interest under or loan value of any unmatured life insurance contracts owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent.

Subd. 24. **Employee benefits.** (a) The debtor's right to receive present or future payments, or payments received by the debtor, under a stock bonus, pension, profit sharing, annuity, individual retirement account, Roth IRA, individual retirement annuity, simplified employee pension, or similar plan or contract on account of illness, disability, death, age, or length of service, to the extent of the debtor's aggregate interest under all plans and contracts up to a present value of $84,000 and additional amounts under all the plans and contracts to the extent reasonably necessary for the support of the debtor and any spouse or dependent of the debtor.

(b) The exemptions in paragraph (a) do not apply when the debt is owed under a support order as defined in section 518A.26, subdivision 21.

[See Note.]

Subd. 25. **Proceeds for improvements to property.** Proceeds of payments received by a person for labor, skill, material, or machinery contributing to an improvement to real estate within the meaning of section 514.01.

Subd. 26. **Health savings accounts; medical savings accounts.** (a) All money held in a health savings account, as defined in the Internal Revenue Code of 1986, section 223(d), as amended, up to a present value of $35,000.

(b) All money held in a medical savings account, as defined in the Internal Revenue Code of 1986, section 220(d)(1), as amended, up to a present value of $35,000.

(c) The exemptions in paragraphs (a) and (b) do not apply pursuant to the division of marital assets under section 518.58, a surviving spouse benefit under section 518.581, and a support order under section 518A.53.

Subd. 27. **Household tools and equipment.** The debtor's aggregate interest, not to exceed $3,300, in household tools and equipment, including but not limited to hand and power tools, snow removal equipment, and lawnmowers.

Subd. 28. **Wild card exemption in bankruptcy.** In a bankruptcy, a debtor may exempt any property, including funds in a bank account, up to $1,650 in value.

History: *(9447) RL s 4317; 1909 c 12 s 1; 1913 c 375 s 1; 1915 c 202 s 1; 1923 c 154 s 1; 1923 c 350 s 1; 1927 c 272; 1933 c 350 s 1; 1939 c 263; 1941 c 351; 1949 c 282 s 1; 1951 c 673 s 1; 1955 c 859 s 1; 1961 c 568 s 1; 1967 c 835 s 1; 1969 c 1142 s 23,24; 1976 c 335 s 6-10; 1977 c 180 s 3; 1980 c 550 s 1-4; 1980 c 599 s 6-8; 1981 c 7 s 1; 1981 c 322 s 1; 1981 c 365 s 9; 1983 c 235 s 5-11; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1985 c 306 s 2-6; 1Sp1985 c 1 s 24; 1986 c 444; 1988 c 490 s 2-4; 1989 c 284 s 1; 1989 c 350 art 16 s 2-4; 1991 c 199 art 2 s 1; 1993 c 79 s 7; 1993 c 156 s 6; 1995 c 207 art 2 s 36; 1997 c 85 art 4 s 37; 1997 c 203 art 6 s 84; 1999 c 159 s 143; 1999 c 160 s 1; 2000 c 430 s 3; 2005 c 137 s 1; 2005 c 164 s 29; 1Sp2005 c 7 s 28; 2009 c 31 s 2; 2013 c 135 art 2 s 9-15; 2016 c 158 art 2 s 119; 2018 c 111 s 1; 1Sp2019 c 9 art 1 s 42; 2024 c 114 art 3 s 84-94*

NOTE: Subdivision 11 was found unconstitutional in *In re Tveten*, 402 N.W.2d 551 (Minn. 1987).

NOTE: The part of subdivision 24 which limits the amount of a qualified employee benefit plan that is exempt under subdivision 1 is preempted by the Employee Retirement Income Security Act (ERISA). *Community Bank Henderson v. Noble*, 552 N.W.2d 37 (Minn. Ct. App. 1996).

550.371 EXEMPTIONS IN JOINT BANKRUPTCY.

Subdivision 1. **Applicable law.** Except as provided in this section, the exemptions set forth in subsection (d) of section 522 of the Bankruptcy Act, United States Code, title 11, section 522(d), shall be available to residents of this state.

Subd. 2. **Joint petition.** When spouses are joined in a petition for bankruptcy, they may jointly elect to utilize either the applicable exemption provisions pursuant to Minnesota law or pursuant to subsection (d) of section 522 of the Bankruptcy Act, United States Code, title 11, section 522(d), but not both.

Subd. 3. **Individual petition.** When a petition for bankruptcy is filed individually, and not jointly, for a spouse, (a) one spouse shall not claim any exemption pursuant to Minnesota law for a period of three years from the date of filing if the other spouse has claimed any exemption under subsection (d) of section 522 of the Bankruptcy Act, United States Code, title 11, section 522(d); and (b) one spouse shall not claim any exemption pursuant to subsection (d) of section 522 of the Bankruptcy Act, United States Code, title 11, section 522(d), for a period of three years from the date of filing if the other spouse has claimed any exemption pursuant to Minnesota law.

Subd. 4. **Marital status determined.** For the purposes of this section, persons shall be considered to be spouses if they are married to each other at the time of the filing of the first individual or joint petition for bankruptcy by either of them unless a decree of separation or temporary order of separation of the parties is issued prior to the time the petition is filed.

History: *1982 c 461 s 1; 2024 c 101 art 3 s 2*

NOTE: This section was found unconstitutional in *In re Soby*, 37 B.R. 522 (Bankr. D. Minn. 1984).

550.38 VETERAN'S PENSION, BONUS, OR COMPENSATION.

All moneys paid to any person as a veteran's pension, bonus, adjusted compensation, allotment, or other benefit by the state of Minnesota or by the United States are exempt from, and shall not be liable to, attachment, garnishment, seizure, or sale on any final process issued out of any court for the period of one year after receipt thereof.

History: *(9447-1) Ex1936 c 112*

550.39 EXEMPTION OF INSURANCE POLICIES.

The net amount payable to any insured or to any beneficiary under any policy of accident or disability insurance or under accident or disability clauses attached to any policy of life insurance shall be exempt and free and clear from the claims of all creditors of such insured or such beneficiary and from all legal and judicial processes of execution, attachment, garnishment, or otherwise, up to a total amount of $1,000,000 per claim and subsequent award.

History: *(9447-2) 1937 c 191 s 1; 2024 c 114 art 3 s 95*

550.40 [Renumbered 354.231]

550.41 LEVY ON PROPERTY IN EXCESS OF EXEMPTION.

When the officer holding an execution is of the opinion that the judgment debtor has more property of the classes specified in section 550.37 than is exempt the officer may levy upon the whole of any one class and make an inventory thereof and cause the same to be appraised on oath by two disinterested persons. If such appraisal exceeds the amount exempt of that class, the debtor may forthwith select of such property an amount not exceeding in appraised value the amount exempt, and the balance shall be applied by the officer as in other cases. If the debtor does not make such selection, the officer may make the same. If one or more indivisible articles of such class is of greater value than the whole amount exempt of that class, the officer shall sell the same and, after paying to the debtor the amount thereof exempt, shall apply the residue in discharge of the process.

History: *(9448) RL s 4318; 1986 c 444*

550.42 WAIVER OF AGRICULTURAL DEBTOR'S RIGHTS.

Subdivision 1. **Waiver is void.** (a) A waiver of statutory rights of a debtor in a contract, loan agreement, or security agreement as a condition for a loan of money for agricultural production is void unless the waiver is expressly authorized by law.

(b) A waiver of mediation rights under chapter 583, the right to an offer under section 500.245, subdivision 1, or the debtor's statutory rights under chapter 580, 581, or 582 for a mortgage on agricultural property, is void unless the waiver is expressly authorized by law.

Subd. 2. **Penalty.** A person, corporation, financial institution, or other legal entity is liable to a debtor for up to $2,500 plus attorney fees if the person or entity:

(1) requires a waiver subject to subdivision 1 in a contract, loan agreement, or security agreement, and does not acknowledge that the waiver subject to subdivision 1 is void; or

(2) attempts to enforce a waiver that is void under subdivision 1.

History: *1987 c 396 art 3 s 1; 1997 c 126 s 6*