

1

Utah Exemptions Act Modifications
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Todd Weiler
House Sponsor:

2

LONG TITLE

3

General Description:

4

This bill amends the Utah Exemptions Act.

5

Highlighted Provisions:

6

This bill:

7

- 8 ▶ allows an individual subject to collection of an unsecured debt to exempt:
 - 9 • an unused amount of the homestead exemption in certain circumstances; and
 - 10 • any federal or state income tax refund attributed to an earned income tax credit or
 - 11 child tax credit; and
- 12 ▶ makes technical and conforming changes.

13

Money Appropriated in this Bill:

14

None

15

Other Special Clauses:

16

None

17

Utah Code Sections Affected:

18

AMENDS:

19

78B-5-505, as last amended by Laws of Utah 2025, First Special Session, Chapter 11

21

Be it enacted by the Legislature of the state of Utah:

22

Section 1. Section **78B-5-505** is amended to read:

23

78B-5-505 . Property exempt from execution.

24

(1)(a) An individual is entitled to exemption of the following property:

25

- 26 (i) a burial plot for the individual and the individual's family;
- 27 (ii) health aids reasonably necessary to enable the individual or a dependent to work
- 28 or sustain health;
- 29 (iii) benefits that the individual or the individual's dependent have received or are
- 30 entitled to receive from any source because of:
 - 31 (A) disability;

- (B) illness; or
- (C) unemployment;
- (iv) benefits paid or payable for medical, surgical, or hospital care to the extent that the benefits are used by an individual or the individual's dependent to pay for that care;
- (v) veterans benefits;
- (vi) money or property received, and rights to receive money or property for child support;
- (vii) money or property received, and rights to receive money or property for alimony or separate maintenance, to the extent reasonably necessary for the support of the individual and the individual's dependents;
- (viii)[(A) one:]
 - [I] (A) one clothes washer[and] ;
 - (B) one clothes dryer;
 - [II] (C) one refrigerator;
 - [III] (D) one freezer;
 - [IV] (E) one stove;
 - [V] (F) one microwave oven;[and]
 - [VI] (G) one sewing machine;
 - [B] (H) all carpets in use;
 - [C] (I) provisions sufficient for 12 months actually provided for individual or family use;
 - [D] (J) all wearing apparel of [every] each individual and dependent, not including jewelry or furs; and
 - [E] (K) all beds and bedding for [every] each individual [or] and dependent;
- (ix) except for works of art held by the debtor as part of a trade or business, works of art:
 - (A) depicting the debtor or the debtor and the debtor's resident family; or
 - (B) produced by the debtor or the debtor and the debtor's resident family;
- (x) proceeds of insurance, a judgment, or a settlement, or other rights accruing as a result of bodily injury of the individual or of the wrongful death or bodily injury of another individual of whom the individual was or is a dependent to the extent that those proceeds are compensatory;
- (xi) the proceeds or benefits of any life insurance contracts or policies paid or

65 payable to the debtor or any trust of which the debtor is a beneficiary upon the
66 death of the spouse or children of the debtor, provided that the contract or policy
67 has been owned by the debtor for a continuous unexpired period of one year;

68 (xii) the proceeds or benefits of any life insurance contracts or policies paid or
69 payable to the spouse or children of the debtor or any trust of which the spouse or
70 children are beneficiaries upon the death of the debtor, provided that the contract
71 or policy has been in existence for a continuous unexpired period of one year;

72 (xiii) proceeds and avails of any unmatured life insurance contracts owned by the
73 debtor or any revocable grantor trust created by the debtor, excluding any
74 payments made on the contract during the one year immediately preceding a
75 creditor's levy or execution;

76 (xiv) except as provided in Subsection (1)(b), and except for a judgment described in
77 Subsection 75B-2-503(2)(c), any money or other assets held for or payable to the
78 individual as an owner, participant, or beneficiary from or an interest of the
79 individual as an owner, participant, or beneficiary in a fund or account, including
80 an inherited fund or account, in a retirement plan or arrangement that is described
81 in Section 401(a), 401(h), 401(k), 403(a), 403(b), 408, 408A, 409, 414(d), 414(e),
82 or 457, Internal Revenue Code, including an owner's, a participant's, or a
83 beneficiary's interest that arises by inheritance, designation, appointment, or
84 otherwise;

85 (xv) the interest of or any money or other assets payable to an alternate payee under a
86 qualified domestic relations order as those terms are defined in Section 414(p),
87 Internal Revenue Code;

88 (xvi) unpaid earnings of the household of the filing individual due as of the date of
89 the filing of a bankruptcy petition in the amount of 1/24 of the Utah [State] state
90 annual median family income for the household size of the filing individual as
91 determined by the Utah [State Annual Median Family Income] state annual median
92 family income reported by the United States Census Bureau and as adjusted based
93 upon the Consumer Price Index for All Urban Consumers for an individual whose
94 unpaid earnings are paid more often than once a month or, if unpaid earnings are
95 not paid more often than once a month, then in the amount of 1/12 of the Utah [
96 State] state annual median family income for the household size of the individual
97 as determined by the Utah [State Annual Median Family Income] state annual
98 median family income reported by the United States Census Bureau and as

adjusted based upon the Consumer Price Index for All Urban Consumers;

(xvii) except for curio or relic firearms, any three of the following:

(A) one handgun and ammunition for the handgun not exceeding 1,000 rounds;

(B) one shotgun and ammunition for the shotgun not exceeding 1,000 rounds; and

(C) one shoulder arm and ammunition for the shoulder arm not exceeding 1,000

rounds;[~~and~~]

(xviii) money, not exceeding \$200,000, in the aggregate, that an individual deposits, more than 18 months before the day on which the individual files a petition for bankruptcy or an action is filed by a creditor against the individual, as applicable, in all tax-advantaged accounts for saving for higher education costs on behalf of a particular individual that meets the requirements of Section 529, Internal Revenue Code[.] ;

(xix) up to \$10,000 of any unused portion of the homestead exemption described in Section 78B-5-503, which the individual may apply to the individual's aggregate interest in any real or personal property; and

(xx) the full amount of any federal or state income tax refund attributed to an earned income tax credit or any child tax credit, whether as a refundable tax credit or as a nonrefundable reduction in tax.

(b)(i) Any money, asset, or other interest in a fund or account that is exempt from a

claim of a creditor of the owner, beneficiary, or participant under Subsection

(1)(a)(xiv) does not cease to be exempt after the owner's, participant's, or

beneficiary's death by reason of a direct transfer or eligible rollover to an inherited

individual retirement account as defined in Section 408(d)(3), Internal Revenue

Code.

(c)(i) The exemption granted by Subsection (1)(a)(xiv) does not apply to:

(A) an alternate payee under a qualified domestic relations order, as those terms are defined in Section 414(p), Internal Revenue Code; or

(B) amounts contributed or benefits accrued by or on behalf of a debtor within one year before the debtor files for bankruptcy, except amounts directly rolled over from other funds that are exempt from attachment under this section

(ii) The exemptions in Subsections (1)(a)(xi), (xii), and (xiii) do not apply to the

secured creditor's interest in proceeds and avails of any matured or unmatured life

133 insurance contract assigned or pledged as collateral for repayment of a loan or
134 other legal obligation.

135 (2)(a) Disability benefits, as described in Subsection (1)(a)(iii)(A), and veterans benefits,
136 as described in Subsection (1)(a)(v), may be garnished on behalf of a victim who is a
137 child if the person receiving the benefits has been convicted of a felony sex offense
138 against the victim and ordered by the sentencing court to pay restitution to the victim.

139 (b) The exemption from execution under this Subsection (2) shall be reinstated upon
140 payment of the restitution in full.

141 (3) The exemptions under this section do not limit items that may be claimed as exempt
142 under Section 78B-5-506.

143 (4)(a) The exemptions described in Subsections (1)(a)(iii), (iv), (vi), (vii), (x), (xii), (xiii),
144 (xiv), (xv), (xvii), and (xviii) do not apply to a civil accounts receivable or a civil
145 judgment of restitution for an individual who is found in contempt under Section
146 78B-6-317.

147 (b) Subsection (4)(a) does not apply to the benefits described in Subsection (1)(a)(iii) if
148 the individual's dependent received, or is entitled to receive, the benefits.

149 **Section 2. Effective Date.**

150 This bill takes effect on May 6, 2026.