

REVENUE: No revenue impact

FISCAL: No fiscal impact

---

<b>Action:</b>	Do Pass
<b>Vote:</b>	8 - 0 - 0
<b>Yeas:</b>	Conger, Doherty, Esquivel, Hoyle, Johnson, Matthews, Kennemer, Schaufler
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Theresa Van Winkle, Administrator
<b>Meeting Dates:</b>	5/2

---

**WHAT THE MEASURE DOES:** Increases the value of tools of the trade relating to a debtor's ability to carry on their trade, occupation, or profession that can be retained in bankruptcy proceedings from \$3,000 to \$5,000.

**ISSUES DISCUSSED:**

- Examples of how the current exemption level affects individuals who file for bankruptcy
- Measure covers only bankruptcy proceedings
- Average cost of tools that are accumulated for certain professions, i.e. vehicle mechanics and construction workers
- Differences between federal and state laws regarding bankruptcy proceedings
- Current exemption amounts in neighboring states
- When the exemption amount was last updated in statute

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Current statute provides that in bankruptcy proceedings, tools of the trade (i.e., tools and implements) related to one's profession and ability to earn a living, up to a \$3,000 value, can be retained. This exemption was last amended in 1993.

Senate Bill 935 increases the exemption value to \$5,000.