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STANDING CHAPTER 13 TRUSTEE
District of Minnesota

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Counsel

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Committee on Judiciary and Public Safety, S.F. 4065:

I submit the following in opposition to S.F. 4065 with regard to the proposed changes to the Minnesota exemption laws found in Minn.Stat. §550.37. The comments are based on a desire to provide the debtor the right to a fresh start, while maintaining the debtor's fundamental needs with reasonable means of support so they can maintain the decencies and proprieties of life, all while keeping in mind the creditors' remedy to collect for the their debts owed and incurred by the debtor. The amounts to be exempt shall be reasonable and the system of bankruptcy has assumed a significant role in this nation's economy and there is a strong public interest in preserving the integrity of bankruptcy remedies.¹

Subd. 2(a) Sacred possessions – The current language is not inclusive as it names only Abrahamic religions. The language should be changed to simply state “Religious items in an aggregate not exceeding \$2,000” in order to remove any favorable preference for those religions and to be inclusive of our Native American and other religious citizens. The amount should be reduced to a reasonable amount.

Subd. 4. Personal goods. It is unclear as to why general consumer electronics should exempt as they are not necessary.

Subd. 12a. Motor vehicles. The committee should not increase this exemption for two reasons. First, value of the exemption is already indexed and increased every two years by Minnesota statute. If that index mechanism is no longer working as designed the solution is to address the index process and not increase the exemption. Second, this increase does nothing to address climate change, mass transit, and public safety. It encourages more people owning and operating more expensive automobiles on our roadways. The addition of an exemption of an automobile for a tool of the trade should be limited to that debtor's principal trade and not a hobby or for participation in an activity with a minimal economic benefit for the debtor.

Subd. 14. Public assistance. The reference to “the portion of any tax refund attributable to a state or federal tax credit” should be removed or altered as it is unreasonable to some debtors as that credit of \$2,000 per child is available to anyone with kids earning up to \$200,000 (or a married couple earning \$400,000). At the minimum there should be a phase out in the statute as to when that credit is no longer exempt as the credit is not based on need.

Subd. 27. Household tools and equipment. These items should be added to personal goods in subd. 4, with a combined exemption limit of \$11,250.

Sincerely,

/s/ Jeffrey M. Bruzek

Jeffrey M. Bruzek
Counsel to Chapter 13 Trustee

¹ Article I, Section 12 of the Minnesota Constitution; *Medill v. State*, 477 N.W.2d 703, 708 (Minn. 1991). *Poznanovic v. Maki*, 296 N.W. 415, 417 (1941); *In re Schuster*, 132 B.R. 604 (Bankr. D. Minn. 1991)