



For Immediate Release
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NACBA State Advocacy: Governor Signs Minnesota Debt Fairness Act into Law, Introducing New Bankruptcy Exemptions for State Debtors

St. Paul, MN– On May 21, 2024 Governor Walz has signed the [Minnesota Debt Fairness Act](#) (SF 4097) into law. The Act introduces significant new bankruptcy exemptions for state debtors that take effect on August 1, 2024.

Authored by Senator Boldon and Representative Reyer, in collaboration with Attorney General Ellison's Office, the bill passed the Senate on May 16th as part of the Commerce Policy Omnibus bill. Following its passage in the House, the bill was sent to the Governor for his signature.

NACBA member Jeffrey Bursell, Esq., played a pivotal role in advocating for and drafting the exemption changes included in the bill, alongside Andrew Walker, Esq., Ron Lundquist, Esq., Brian McDaniel, Esq. of Hylden Advocacy, and Minnesota Legal Aid's Ron Elwood, Esq. and Andrew Knox, Esq.

"NACBA proudly recognizes member Jeffrey Bursell of Solvent Law PLLC for his key role in advancing bankruptcy exemption legislation in Minnesota," said Krista D'Amelio, NACBA's Director of Government Affairs & Communications. "Since bringing these efforts to NACBA in 2022, Jeffrey and his colleagues have tirelessly advocated for these critical changes. Their work ensures protections for Minnesota's debtors, including enhanced safeguards for vehicles, possessions, and household tools, as well as a new \$1,500 wildcard exemption, providing better outcomes and needed relief for those seeking a fresh start."

Along with key medical debt reform and judgment collection reforms, provisions of the Act include bankruptcy exemption changes that will help more Minnesota debtors protect their property when getting back on financial track through bankruptcy relief. Key features of the Minnesota Debt Fairness Act include:

Bankruptcy Reforms

- **Doubling vehicle protection** from \$5,000 to \$10,000, with additional protection for persons with disabilities and work vehicles.
- **\$2,000 protection** for sacred and religious possessions.
- **\$3,000 protection** for household tools, such as snowblowers and lawnmowers.
- **Low income-based tax credits.**
- **Protection for money received in personal injury lawsuits.**
- **Protection for personal electronics and jewelry.**
- **\$1,500 wildcard exemption** for any property.



Medical Debt Reforms

- Ending the automatic transfer of medical debt to a patient's spouse.
- Banning medical debt from being reported to credit bureaus.
- Prohibiting medical providers from withholding necessary care due to unpaid debt.
- Establishing new protections against unethical medical debt collection practices.
- Allowing successful defendants in medical debt lawsuits to have their attorney's fees paid.
- Requiring medical providers to publish their debt collection practices.
- Creating a process to dispute medical coding and billing errors.

Judgment Collection Reforms

- Implementing income-based wage garnishment levels, ranging from 10% to 25%, replacing the flat 25% cap.
- Extending wage garnishment protections to independent contractors.
- Extending wage garnishment protections to all residents and workers in Minnesota.

Attorney General Ellison commented, "Spouses will no longer be forced to pay off each other's medical debt in life or death. People won't be denied necessary medical care due to unpaid bills, and working-class Minnesotans will face fairer wage garnishment rules. This Act makes the already difficult process of bankruptcy more affordable and accessible."

NACBA congratulates Jeffrey Bursell and all advocates involved in this legislative achievement and looks forward to continuing its support for state-level reforms that ensure better outcomes for debtors.

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About the National Association of Consumer Bankruptcy Attorneys

The National Association of Consumer Bankruptcy Attorneys (NACBA) is the only national organization dedicated to serving the needs of consumer bankruptcy attorneys and protecting the rights of consumer debtors in bankruptcy. NACBA provides resources, education, and advocacy to empower bankruptcy attorneys in their mission to help individuals achieve financial stability.

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