

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0682.01 Richard Sweetman x4333

SENATE BILL 22-086

---

SENATE SPONSORSHIP

Winter,

HOUSE SPONSORSHIP

Gray,

---

Senate Committees  
Finance

House Committees

---

A BILL FOR AN ACT

101 CONCERNING ASSETS EXEMPTED FROM SEIZURE IN CERTAIN  
102 PROCEEDINGS, AND, IN CONNECTION THEREWITH, EXPANDING  
103 THE AMOUNT AND APPLICATION OF THE HOMESTEAD  
104 EXEMPTION TO INCLUDE PERSONAL PROPERTY THAT IS  
105 ACTUALLY USED AS A RESIDENCE, INCREASING THE SCOPE AND  
106 AMOUNT OF ASSETS THAT MAY BE EXEMPTED, ADDING CERTAIN  
107 NEW EXEMPTIONS, RECREATING AND INCREASING AN  
108 EXEMPTION FOR MONEY IN DEPOSITORY ACCOUNTS, AND  
109 REMOVING A REQUIREMENT THAT A PERSON MUST DEPOSIT AND  
110 NOT COMMINGLE FUNDS IN ORDER TO RENDER CHILD SUPPORT  
111 PAYMENTS OR UNEMPLOYMENT BENEFITS EXEMPT FROM LEVY  
112 TO PAY A DEBT.

---

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

## Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

**Section 1** of the bill makes legislative findings and declarations. Colorado's statutory homestead exemption exempts a portion of a homestead from seizure to satisfy a debt, contract, or civil obligation.

**Section 2** increases the amount of the homestead exemption:

- From \$75,000 to \$300,000 if the homestead is occupied as a home by an owner of the home or an owner's family; and
- From \$105,000 to \$400,000 if the homestead is occupied as a home by an owner who is elderly or disabled, an owner's spouse who is elderly or disabled, or an owner's dependent who is elderly or disabled.

**Section 3** expands the meaning of "homestead" to expressly include a "dwelling", and **section 4** defines a dwelling as conventional housing and personal property that is actually used as a residence, including any vehicle, trailer, vessel, camper coach, mounted equipment, railway car, shipping or cargo container, or shed.

**Section 5** increases the maximum amounts of existing exemptions from levy and sale under a writ of attachment or execution for certain types of property and creates new exemptions for:

- Firearms and hunting and fishing equipment;
- Economic impact payments;
- Health savings accounts; and
- Money placed into a life expectancy set-aside account or similar reserve fund, escrow, or impound account, which money is derived from reverse mortgage proceeds that are designated for specific uses.

**Section 5** also recreates and increases an exemption for money in depository accounts.

**Sections 5, 6, and 7** remove a requirement that a person must deposit child support payments in an account designated for the child and, with regard to child support payments and unemployment benefits, not commingle funds in order to claim an exemption for child support payments or an exemption for unemployment benefits.

---

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly

1 finds that:

2 (a) The recent rises in Colorado's population and home values  
3 have made it more difficult for people to find affordable housing;

4 (b) This housing crisis affects a wide swath of the population,  
5 putting more pressure on family budgets;

6 (c) The higher cost of housing has forced many of Colorado's  
7 aging and less-wealthy individuals to reside in unconventional housing,  
8 including tiny homes; recreational vehicles, campers, and other vehicles;  
9 boats and other vessels; and other types of real and personal property;

10 (d) Unfortunately, individuals residing in such unconventional  
11 housing do not enjoy protection from creditors under Colorado's  
12 homestead exemption law because Colorado's definition of a "homestead"  
13 applies to real property and to mobile homes, manufactured homes,  
14 trailers, and trailer coaches but not to other types of unconventional  
15 housing; and

16 (e) When creditors acquire and dispose of property that serves as  
17 unconventional housing, the residents of such housing are often left  
18 homeless.

19 (2) The general assembly also finds that:

20 (a) Section 1 of article XVIII of the state constitution requires the  
21 general assembly to pass liberal homestead and exemption laws;

22 (b) Colorado courts have expressed a policy of broad and liberal  
23 interpretation of the homestead exemption;

24 (c) In 1982, with the enactment of Senate Bill 82-27, and in 1983,  
25 with the enactment of House Bill 83-1428, the general assembly  
26 expanded the homestead exemption to apply to mobile homes and  
27 manufactured homes, respectively;

1 (d) In 2000, with the enactment of Senate Bill 00-003, the general  
2 assembly again expanded the homestead exemption to include trailers and  
3 trailer coaches; and

4 (e) Nonetheless, in 2016, in the case of *In re Romero*, the United  
5 States district court for the district of Colorado declined to interpret  
6 Colorado's homestead exemption as applying to unconventional dwellings  
7 and sleeping quarters that are not specifically described in the homestead  
8 exemption statute.

9 (3) The general assembly also finds that:

10 (a) The original purpose of the homestead exemption was to  
11 protect an amount of equity that is required to keep a roof over a family's  
12 head;

13 (b) The increase in the cost of homes has left the current  
14 homestead exemption outdated;

15 (c) For many individuals, home ownership is the cornerstone of  
16 the American dream, yet as of November 5, 2021, the typical home value  
17 in the United States is \$316,368, according to Zillow, and this value is  
18 seasonally adjusted and includes only the middle-price tier of homes;

19 (d) Of course, home values are not uniform across the country,  
20 and in some states a typical home costs far more than the national  
21 average. According to Zillow, the value of a typical single-family home  
22 in Colorado is \$442,766, which is higher than the national average as  
23 reported by Microsoft's MS Money app.

24 (e) Based on these figures, Colorado's statutory homestead  
25 exemption amount of \$75,000 protects only about 17% of the value of the  
26 typical Colorado home and about 24% for homeowners who are elderly  
27 or disabled; and

1 (f) According to the Denver Metro Association of Realtors, the  
2 median closing price of a home in the Denver metro area was \$543,000  
3 for November 2021.

4 (4) The general assembly therefore declares that it is in the best  
5 interests of residents of the state for the general assembly to:

6 (a) Increase the amount of the homestead exemption;

7 (b) Expand the definition of "homestead" to expressly include a  
8 broad range of real and personal property when such property is actually  
9 used as a dwelling or place of residence;

10 (c) Increase the maximum amounts of existing exemptions for  
11 depository accounts and certain types of property; and

12 (d) Create new exemptions for:

13 (I) Firearms and hunting and fishing equipment;

14 (II) Economic impact payments;

15 (III) Health savings accounts; and

16 (IV) Money placed into a life expectancy set-aside account or  
17 similar reserve fund, escrow, or impound account, which money is  
18 derived from reverse mortgage proceeds that are designated for specific  
19 uses.

20 (e) Remove the requirement that a person not commingle funds in  
21 order to claim an exemption for child support payments or unemployment  
22 benefits.

23 **SECTION 2.** In Colorado Revised Statutes, **amend** 38-41-201 as  
24 follows:

25 **38-41-201. Homestead exemption - definitions.** (1) Every  
26 homestead in the state of Colorado shall be IS exempt from execution and  
27 attachment arising from any debt, contract, or civil obligation not

1 exceeding in actual cash value in excess of any liens or encumbrances on  
2 the homesteaded property in existence at the time of any levy of execution  
3 thereon:

4 (a) The sum of ~~seventy-five~~ THREE HUNDRED thousand dollars if  
5 the homestead is occupied as a home by an owner ~~thereof~~ or an owner's  
6 family; or

7 (b) The sum of ~~one hundred five~~ FOUR HUNDRED thousand dollars  
8 if the homestead is occupied as a home by an ~~elderly or disabled~~ owner  
9 WHO IS ELDERLY OR DISABLED, an ~~elderly or disabled spouse of an owner~~  
10 OWNER'S SPOUSE WHO IS ELDERLY OR DISABLED, or an ~~elderly or disabled~~  
11 ~~dependent of an owner~~ OWNER'S DEPENDENT WHO IS ELDERLY OR  
12 DISABLED.

13 (2) As used in this section, unless the context otherwise requires:

14 (a) "~~Disabled owner~~", "~~disabled spouse~~", or "~~disabled dependent~~"  
15 "DISABLED" means ~~an owner, spouse, or dependent who has~~ HAVING a  
16 physical or mental impairment that is disabling and that, because of other  
17 factors such as age, training, experience, or social setting, substantially  
18 precludes the ~~owner, spouse, or dependent~~ PERSON from engaging in a  
19 useful occupation as a homemaker, a wage earner, or a self-employed  
20 person in any employment that exists in the community and for which ~~he~~  
21 ~~or she~~ THE PERSON has competence.

22 (b) "~~Elderly~~" owner", "~~elderly spouse~~", or "~~elderly dependent~~"  
23 "ELDERLY" means ~~an owner, spouse, or dependent who is~~ sixty years of  
24 age or older.

25 **SECTION 3.** In Colorado Revised Statutes, **amend** 38-41-205 as  
26 follows:

27 **38-41-205. Of what homestead may consist.** (1) The homestead

1 mentioned in this part 2 may consist of:

- 2 (a) A DWELLING;
- 3 (b) A house and lot or lots; or
- 4 (c) ~~of~~ A farm consisting of any number of acres.

5 **SECTION 4.** In Colorado Revised Statutes, **add** 38-41-201.7 as  
6 follows:

7 **38-41-201.7. Definition of "dwelling" - personal property**  
8 **included.** (1) AS USED IN THIS PART 2, UNLESS THE CONTEXT OTHERWISE  
9 REQUIRES, "DWELLING" MEANS CONVENTIONAL HOUSING AND PERSONAL  
10 PROPERTY THAT IS ACTUALLY USED AS A RESIDENCE, INCLUDING:

- 11 (a) A VEHICLE, AS DEFINED IN SECTION 42-1-102 (112), INCLUDING  
12 ANY TRAILER, AS DEFINED IN SECTION 42-1-102 (105);
- 13 (b) A VESSEL, AS DEFINED IN SECTION 33-13-102 (5);
- 14 (c) A CAMPER COACH, AS DEFINED IN SECTION 42-1-102 (13);
- 15 (d) MOUNTED EQUIPMENT, AS DEFINED IN SECTION 42-1-102 (60);
- 16 (e) A RAILWAY CAR; AND
- 17 (f) A SHIPPING OR CARGO CONTAINER OR SHED.

18 **SECTION 5.** In Colorado Revised Statutes, 13-54-102, **amend**  
19 (1)(e), (1)(g), (1)(i), (1)(j)(I), (1)(j)(II)(A), (1)(o), (1)(s), (1)(u), (1)(v),  
20 (1)(w), and (3); and **add** (1)(x), (1)(y), and (1)(z) as follows:

21 **13-54-102. Property exempt - definitions.** (1) The following  
22 property is exempt from levy and sale under writ of attachment or writ of  
23 execution:

- 24 (e) The household goods owned and used by the debtor or the  
25 debtor's dependents to the extent of ~~three~~ SIX thousand dollars in value;
- 26 (g) (I) Except as otherwise provided in ~~subparagraph (II) of this~~  
27 ~~paragraph (g)~~ SUBSECTION (1)(g)(II) OF THIS SECTION, in the case of every

1 debtor engaged in agriculture as the debtor's principal occupation,  
2 including ~~but not limited to~~ farming, ranching, and dairy production OR  
3 the raising of livestock or poultry, THE FOLLOWING, IN THE AGGREGATE  
4 VALUE OF ONE HUNDRED THOUSAND DOLLARS:

5 (A) All livestock, poultry, or other animals;

6 (B) All crops, dairy products, and agricultural products grown,  
7 raised, or produced; and

8 (C) All tractors, farm implements, trucks used in agricultural  
9 operations, harvesting equipment, seed, and agricultural machinery and  
10 tools. ~~in the aggregate value of fifty thousand dollars.~~

11 (II) Only one exemption in the aggregate value of ~~fifty~~ ONE  
12 HUNDRED thousand dollars ~~shall be~~ IS allowed for a debtor and ~~his or her~~  
13 THE DEBTOR'S spouse under ~~subparagraph (f) of this paragraph (g)~~  
14 SUBSECTION (1)(g)(I) OF THIS SECTION. In the event that property is  
15 claimed as exempt by a debtor or ~~his or her~~ THE DEBTOR'S spouse under  
16 ~~subparagraph (f) of this paragraph (g)~~ SUBSECTION (1)(g)(I) OF THIS  
17 SECTION, no exemption ~~shall be~~ IS allowed for ~~such~~ THE debtor or ~~his or~~  
18 ~~her~~ THE DEBTOR'S spouse under ~~paragraph (i) of this subsection (1)~~  
19 SUBSECTION (1)(i) OF THIS SECTION.

20 (i) (I) EXCEPT AS DESCRIBED IN SUBSECTION (1)(i)(II) OF THIS  
21 SECTION, the stock in trade, supplies, fixtures, maps, machines, tools,  
22 electronics, equipment, books, and business materials of a debtor THAT  
23 ARE used and kept for the purpose of carrying on:

24 (A) The debtor's primary gainful occupation, in the aggregate  
25 value of ~~thirty~~ SIXTY thousand dollars; or

26 (B) ~~used and kept for~~ Any other gainful occupation, in the  
27 aggregate value of ~~ten~~ TWENTY thousand dollars.



1           (II) ~~except that~~ Exempt property described in this ~~paragraph (i)~~  
2       SUBSECTION (1)(i) may not also be claimed as exempt pursuant to  
3       ~~paragraph (j) of this subsection (1)~~ SUBSECTION (1)(j) OF THIS SECTION.

4           (j) (I) Up to two motor vehicles or bicycles kept and used by any  
5       debtor, in the aggregate value of ~~seven thousand five hundred~~ FIFTEEN  
6       THOUSAND dollars; or

7           (II) (A) Up to two motor vehicles or bicycles kept and used by any  
8       ~~elderly or disabled~~ debtor WHO IS ELDERLY OR DISABLED or by any ~~debtor~~  
9       ~~with an elderly or disabled~~ DEBTOR'S spouse or dependent WHO IS  
10      ELDERLY OR DISABLED, in the aggregate value of ~~twelve thousand five~~  
11      ~~hundred~~ TWENTY-FIVE THOUSAND dollars.

12          (o) The full amount of any federal or state income tax refund  
13      attributed to an earned income tax credit or ~~a~~ ANY child tax credit,  
14      WHETHER AS A REFUNDABLE TAX CREDIT OR AS A NONREFUNDABLE  
15      REDUCTION IN TAX;

16          (s) Property, including funds, held in or payable from any pension  
17      or retirement plan, ~~or~~ deferred compensation plan, AND HEALTH SAVINGS  
18      ACCOUNTS, including those in which the debtor has received benefits or  
19      payments, has the present right to receive benefits or payments, or has the  
20      right to receive benefits or payments in the future and including pensions  
21      or plans ~~which~~ THAT qualify under the federal "Employee Retirement  
22      Income Security Act of 1974", as amended; ~~as an~~ ANY employee pension  
23      benefit plan, as defined in 29 U.S.C. sec. 1002; any individual retirement  
24      account, as defined in 26 U.S.C. sec. 408; any Roth individual retirement  
25      account, as defined in 26 U.S.C. sec. 408A; and any plan, as defined in  
26      26 U.S.C. sec. 401, and as these plans may be amended from time to time;

27          (u) Any court-ordered domestic support obligation or payment,

1 including a maintenance obligation or payment or a child support  
2 obligation or payment; ~~if the child support obligation or payment meets~~  
3 ~~the requirements of section 13-54-102.5;~~

4 (v) Any claim for public or private disability benefits due, or any  
5 proceeds ~~thereof~~ OF SUCH A CLAIM, not otherwise provided for under law,  
6 up to ~~four~~ FIVE thousand dollars per month. Any claim or proceeds in  
7 excess of this amount is subject to garnishment in accordance with  
8 section 13-54-104.

9 (w) ~~(f) Through June 1, 2021,~~ Up to ~~four~~ FIVE thousand dollars  
10 cumulative in a depository account or accounts in the name of the debtor.

11 ~~(H) This subsection (1)(w) is repealed, effective September 1,~~  
12 ~~2022.~~

13 (x) THE DEBTOR'S AGGREGATE INTEREST IN FIREARMS AND  
14 HUNTING AND FISHING EQUIPMENT HELD FOR PERSONAL, FAMILY, OR  
15 HOUSEHOLD USE OR FOR THE PERSONAL SAFETY OF THE DEBTOR AND  
16 MEMBERS OF THE DEBTOR'S HOUSEHOLD, NOT TO EXCEED ONE THOUSAND  
17 DOLLARS IN VALUE;

18 (y) (I) ANY ECONOMIC IMPACT PAYMENT HELD BY OR PAYABLE TO  
19 A DEBTOR OR TO A DEBTOR'S DEPENDENTS IN ANY FORM.

20 (II) AS USED IN THIS SUBSECTION (1)(y) AND IN SUBSECTION (3) OF  
21 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "ECONOMIC  
22 IMPACT PAYMENT" MEANS A PAYMENT FROM A FEDERAL, STATE, OR LOCAL  
23 GOVERNMENT TO A DEBTOR OR TO A DEBTOR'S DEPENDENTS TO ASSIST IN  
24 MANAGING THE ECONOMIC CONSEQUENCES OF A NATIONAL OR STATEWIDE  
25 EMERGENCY OR DISASTER. "ECONOMIC IMPACT PAYMENT" INCLUDES:

26 (A) ALL ECONOMIC IMPACT AND STIMULUS RECOVERY PAYMENTS  
27 TO DEBTORS PURSUANT TO THE FEDERAL "CORONAVIRUS AID, RELIEF,

1 AND ECONOMIC SECURITY ACT", PUB.L. 116-136, AS AMENDED, OR  
2 OTHERWISE RELATING TO THE COVID-19 PANDEMIC; AND

3 (B) ALL OTHER ECONOMIC IMPACT OR STIMULUS RECOVERY  
4 PAYMENTS TO DEBTORS, WHICH PAYMENTS ARE AUTHORIZED TO ASSIST  
5 WITH ECONOMIC RECOVERY FROM THE COVID-19 PANDEMIC OR FROM  
6 ANY NATIONAL OR STATEWIDE EMERGENCY OR DISASTER. IT IS THE INTENT  
7 OF THE GENERAL ASSEMBLY THAT THIS DEFINITION BE INTERPRETED IN THE  
8 BROADEST POSSIBLE MANNER TO PROTECT SUCH PAYMENTS.

9 (z) ALL MONEY PLACED INTO A LIFE EXPECTANCY SET-ASIDE  
10 ACCOUNT OR SIMILAR RESERVE FUND, ESCROW, OR IMPOUND ACCOUNT,  
11 WHICH MONEY IS DERIVED FROM REVERSE MORTGAGE PROCEEDS THAT ARE  
12 DESIGNATED FOR USE TO PAY FOR REAL ESTATE PROPERTY TAXES;  
13 HOMEOWNER'S HAZARD, FLOOD, OR OTHER PROPERTY INSURANCE; OR  
14 OTHER HOME MAINTENANCE EXPENSES.

15 (3) Notwithstanding ~~the provisions of paragraph (s) of subsection~~  
16 ~~(†) SUBSECTIONS (1)(s) AND (1)(y) of this section,~~ any ECONOMIC IMPACT  
17 PAYMENT AND ANY pension or retirement benefit or payment ~~shall be~~ IS  
18 subject to attachment or levy in satisfaction of a judgment taken for  
19 arrearages for child support or for child support debt, subject to the  
20 limitations ~~contained~~ in section 13-54-104.

21 **SECTION 6.** In Colorado Revised Statutes, **amend** 13-54-102.5  
22 as follows:

23 **13-54-102.5. Child support payments - exemption.** ~~(†)~~ Any  
24 past or present child support obligation owed by a parent or child support  
25 payment made by a parent that is required by a support order is exempt  
26 from levy under writ of attachment or writ of execution for any debt owed  
27 by either parent. ~~A child support payment is no longer exempt under the~~

1 provisions of this section if the recipient of the payment intermingles the  
2 payment with any other moneys.

3 ~~(2) A child support payment is only exempt under the provisions~~  
4 ~~of subsection (1) of this section after the payment is deposited in a bank,~~  
5 ~~savings and loan, or credit union account if the account is a custodial~~  
6 ~~account for the benefit of the child designated for child support payments~~  
7 ~~and if no moneys other than child support payments made pursuant to a~~  
8 ~~support order or interest earned on the moneys in the account are~~  
9 ~~deposited into the account.~~

10 **SECTION 7.** In Colorado Revised Statutes, **amend** 8-80-103 as  
11 follows:

12 **8-80-103. Assignment of benefits void - exemptions.** Any  
13 assignment, pledge, or encumbrance of any right to benefits ~~which~~ THAT  
14 are or may become due or payable under articles 70 to 82 of this title ~~shall~~  
15 ~~be~~ TITLE 8 ARE void. Except as provided in the "Colorado Child Support  
16 Enforcement Procedures Act", article 14 of title 14, ~~C.R.S.~~, such rights to  
17 benefits ~~shall be~~ ARE exempt from levy, execution, attachment, or any  
18 other remedy provided for the collection of debt. Benefits received by any  
19 individual ~~so long as they are not mingled with other funds of the~~  
20 ~~recipient, shall be~~ ARE exempt from any remedy for the collection of all  
21 debts except debts incurred for necessities furnished to ~~such~~ THE  
22 individual, ~~his~~ THE INDIVIDUAL'S spouse, or THE INDIVIDUAL'S dependents  
23 during the time when ~~such~~ THE individual was unemployed or child  
24 support debt or arrearages as specified in article 14 of title 14. ~~C.R.S.~~ Any  
25 waiver of any exemption provided for in this section ~~shall be~~ IS void.

26 **SECTION 8. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.