WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1996

ENROLLED
Committee Substitute for Senate Bill No. 62
(By Senator Whitlow, et al.)

PASSED March 9, 1996
In Effect NINETY DAYS FROM PASSAGE
ENROLLED

COMMITTEE SUBSTITUTE
FOR

Senate Bill No. 62

(Senators Whitlow, Scott, Yoder, Bowman, Chafin, Wagner, Blatnik, Boley, Minear, Ross, Love, Tomblin, Mr. President, Sharpe, Craigo, Jackson, Plymale, Bailey, Dittmar, Manchin, Buckalew, Deem, Kimble, Anderson, Oliverio, Dugan and Walker, original sponsors)

[Passed March 9, 1996; in effect ninety days from passage.]

AN ACT to amend and reenact section three, article nine, chapter thirty-eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to homestead exemptions; providing that homesteads are exempt from attachment for debts for hospital or medical expenses incurred from a catastrophic illness or
Enr. Com. Sub. for S. B. No. 62] 2

injury; providing for exceptions; defining the term “catastrophic illness or injury” for purposes of section; and requiring the commission to promulgate legislative rules to establish procedures to effectuate such exemption.

Be it enacted by the Legislature of West Virginia:

That section three, article nine, chapter thirty-eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 9. HOMESTEAD EXEMPTIONS.

§38-9-3. Debts enforceable against homestead.

1 (a) As of the effective date of this article, a homestead shall be exempt up to the value of five thousand dollars from all debts and liabilities, except debts incurred for the purchase money thereof, or for the erection of permanent improvements thereon, and claims for taxes or county or district or municipal levies due thereon. The exemption herein granted by operation of law shall not render the homestead exempt from liens and all other debts and liabilities contracted and incurred prior to the effective date of this article: Provided, That with respect to a homestead exemption up to one thousand dollars perfected by execution and recordation of a written instrument as required under the former provisions of this article, such exemption shall for all purposes continue to be governed by such former provisions of this article.

(b) In addition to the exemption provided in subsection (a) of this section and subject to the provisions of section eleven-c, article five, chapter nine of this code, effective the first day of July, one thousand nine hundred ninety-six, a homestead shall be exempt up to the value of seven thousand five hundred dollars from all debts and liabilities for hospital or medical expenses incurred from a catastrophic illness or injury. For purposes of this section, “catastrophic illness or injury” means a medically verified illness or injury for which any insurance or
other applicable benefits have been exhausted, and which incapacitates and creates a financial hardship upon the debtor, his or her spouse or sibling or dependent of the debtor, who uses the homestead as a principal home at the time the debt was incurred. The exemption provided by this section shall expire upon the date of the death of the debtor, the death of the debtor's spouse or the death of a disabled dependent of the debtor who uses the homestead as a principal home, whichever is the later.

The exemption provided pursuant to this subsection by operation of law shall not render the homestead exempt from liens and all other debts and liabilities contracted and incurred prior to the first day of July, one thousand nine hundred ninety-six.

The tax commissioner shall propose for promulgation of legislative rules, not inconsistent with this section, in accordance with the provisions of article three, chapter twenty-nine-a of this code, to establish the procedures for exempting homesteads from debts and liabilities incurred from a catastrophic illness or injury.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within is approved this the 25th day of .........................................................., 1996.

Governor