

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5393

FISCAL
NOTE

By Delegate Roop

[Introduced February 10, 2026; referred to the
Committee on Finance]

1 A BILL to amend and reenact §38-10-4 of the Code of West Virginia, 1931, as amended, relating to
 2 exemptions of property in bankruptcy proceedings; creating an exemption; and providing
 3 for a surviving spouse the ability to claim the deceased spouse's homestead exemption so
 4 long as the home they owned together is owned by the surviving spouse.

Be it enacted by the Legislature of West Virginia:

ARTICLE 10. FEDERAL TAX LIENS; ORDERS AND DECREES IN BANKRUPTCY.

§38-10-4. Exemptions of property in bankruptcy proceedings.

1 Any person who files a petition under the federal bankruptcy law may exempt from property
 2 of the estate in a bankruptcy proceeding the following property:

3 ~~(a) The debtor's interest, not to exceed \$35,000 in value, in real property or personal~~
 4 ~~property that the debtor or a dependent of the debtor uses as a residence, in a cooperative that~~
 5 ~~owns property that the debtor or a dependent of the debtor uses as a residence, or in a burial plot~~
 6 ~~for the debtor or a dependent of the debtor: *Provided*, That when the debtor is a physician licensed~~
 7 ~~to practice medicine in this state under §30-3-1 *et seq.* or §30-14-1 *et seq.* of this code, and has~~
 8 ~~commenced a bankruptcy proceeding in part due to a verdict or judgment entered in a medical~~
 9 ~~professional liability action, if the physician has current medical malpractice insurance in the~~
 10 ~~amount of at least \$1 million for each occurrence, the debtor physician's interest that is exempt~~
 11 ~~under this subdivision may exceed \$35,000 in value but may not exceed \$250,000 per household.~~
 12 The debtor's interest in real property or personal property that a debtor or a dependent of the
 13 debtor uses as a residence and consisting of not more than one acre in a municipality or 100 acres
 14 elsewhere, in a cooperative that owns property or a dependent of the debtor.

15 (b) The debtor's interest, not to exceed \$7,500 in value, in one motor vehicle.

16 (c) The debtor's interest, not to exceed \$800 in value in any particular item, in household
 17 furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical
 18 instruments that are held primarily for the personal, family, or household use of the debtor or a
 19 dependent of the debtor: *Provided*, That the total amount of personal property exempted under

20 this subdivision may not exceed \$16,000.

21 (d) The debtor's interest, not to exceed \$2,000 in value, in jewelry held primarily for the
22 personal, family, or household use of the debtor or a dependent of the debtor.

23 (e) The debtor's interest, not to exceed in value ~~\$800~~ \$5 thousand plus any unused amount
24 of the exemption provided under subdivision (a) of this subsection in any personal property.

25 (f) The debtor's interest, not to exceed \$3,000 in value, in any implements, professional
26 books, or tools of the trade of the debtor or the trade of a dependent of the debtor.

27 (g) Any unmaturred life insurance contract owned by the debtor, other than a credit life
28 insurance contract.

29 (h) Professionally prescribed health aids for the debtor or a dependent of the debtor.

30 (i) The debtor's right to receive:

31 (1) A Social Security benefit, unemployment compensation, or a local public assistance
32 benefit;

33 (2) A veterans' benefit;

34 (3) A disability, illness, or unemployment benefit;

35 (4) Alimony, support, or separate maintenance, to the extent reasonably necessary for the
36 support of the debtor and any dependent of the debtor;

37 (5) A payment under a stock bonus, pension, profit sharing, annuity, or similar plan or
38 contract on account of illness, disability, death, age, or length of service, to the extent reasonably
39 necessary for the support of the debtor and any dependent of the debtor, and funds on deposit in
40 an individual retirement account, including a simplified employee pension regardless of the
41 amount of funds, unless:

42 (A) The plan or contract was established by or under the auspices of an insider that
43 employed the debtor at the time the debtor's rights under the plan or contract arose;

44 (B) The payment is on account of age or length of service;

45 (C) The plan or contract does not qualify under Section 401(a), 403(a), 403(b), 408, or 409

46 of the Internal Revenue Code of 1986; and

47 (D) With respect to an individual retirement account, including a simplified employee
48 pension, the amount is subject to the excise tax on excess contributions under Section 4973
49 and/or Section 4979 of the Internal Revenue Code of 1986, or any successor provisions,
50 regardless of whether the tax is paid; and

51 (6) A payment by any governmental entity to subsidize the adoption of a minor child.

52 (j) The debtor's right to receive or property that is traceable to:

53 (1) An award under a crime victim's reparation law;

54 (2) A payment on account of the wrongful death of an individual of whom the debtor was a
55 dependent, to the extent reasonably necessary for the support of the debtor and any dependent of
56 the debtor;

57 (3) All life insurance proceeds paid to the debtor as a beneficiary, any annuities, other than
58 those annuities included in §38-10-4(i)(5), which are paid to the debtor as a beneficiary, or any
59 annuities or life insurance policies owned by the debtor which are payable to someone other than
60 the debtor, including any applicable cash surrender value.

61 (4) A payment, not to exceed \$50,000 on account of personal bodily injury, not including
62 pain and suffering or compensation for actual pecuniary loss, of the debtor or an individual of
63 whom the debtor is a dependent;

64 (5) A payment in compensation of loss of future earnings of the debtor or an individual of
65 whom the debtor is or was a dependent, to the extent reasonably necessary for the support of the
66 debtor and any dependent of the debtor;

67 (6) Payments made to the prepaid tuition trust fund or to the savings plan trust fund,
68 including earnings, in accordance with §18-30-1 *et seq.* of this code on behalf of any beneficiary.

69 (k) Solely for the purpose of applying the provisions of 11 U.S.C. § 522(b)(2) in a federal
70 bankruptcy proceeding and only to the extent otherwise allowed by applicable federal law, an
71 individual debtor domiciled in this state may exempt from property of the debtor's bankruptcy

72 estate the property specified under 11 U.S.C. § 522(d).

73 (l) The amendments made to this section during the 2023 regular session of the

74 Legislature shall apply to bankruptcies filed on or after the effective date of those amendments.

NOTE: The purpose of this bill is to provide for a surviving spouse to be able to claim the deceased spouse's homestead exemption so long as the home they owned together is owned by the surviving spouse.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.