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HOUSE BILL 522

**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

Thomas A. Anderson

AN ACT

RELATING TO ACTIONS AND PROCEEDINGS RELATED TO VETERAN PAYMENTS  
OR BENEFITS FOR SERVICE-CONNECTED DISABILITIES; EXEMPTING  
VETERAN PAYMENTS FOR SERVICE-CONNECTED DISABILITIES FROM  
LIABILITY TO CREDITOR CLAIMS, LEVY OR SEIZURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** A new section of Chapter 42, Article 10 NMSA  
1978 is enacted to read:

"[NEW MATERIAL] VETERAN DISABILITY PAYMENTS AND  
BENEFITS.--Disability payments or benefits awarded to a veteran  
for a service-connected disability shall not be liable to be  
taken by any process or proceedings, legal or equitable, to pay  
any debts."

**SECTION 2.** Section 35-12-7 NMSA 1978 (being Laws 1969,  
Chapter 139, Section 6, as amended) is amended to read:

.183466.2

underscoring material = new  
~~[bracketed material] = delete~~

1 "35-12-7. GARNISHMENT--EXEMPTIONS.--

2 A. Exempt from garnishment in all situations is one  
3 hundred percent of a veteran's disability payments awarded for  
4 a service-connected disability.

5 [~~A.~~] B. Exempt from garnishment with respect to the  
6 enforcement of an order or decree for child support is fifty  
7 percent of the defendant's disposable earnings for any pay  
8 period. Exempt from garnishment in all other situations is the  
9 greater of the following portions of the defendant's disposable  
10 earnings:

11 (1) seventy-five percent of the defendant's  
12 disposable earnings for any pay period; or

13 (2) an amount each week equal to forty times  
14 the federal minimum hourly wage rate. The director of the  
15 financial institutions division of the regulation and licensing  
16 department shall provide a table giving equivalent exemptions  
17 for pay periods of other than one week.

18 [~~B.~~] C. As used in this section:

19 (1) "disposable earnings" means that part of a  
20 defendant's wage or salary remaining after deducting the  
21 amounts [~~which~~] that are required by law to be withheld; and

22 (2) "federal minimum hourly wage rate" means  
23 the highest federal minimum hourly wage rate for an eight-hour  
24 day and a forty-hour week. However, it is immaterial whether  
25 the garnishee is exempt under federal law from paying the

.183466.2

