



FOR IMMEDIATE RELEASE
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Michigan Court of Appeals Reinforces Legislative Duty, Paving the Way for Homestead Exemption Updates

Washington, D.C. — The National Association of Consumer Bankruptcy Attorneys (NACBA) is encouraged by a recent Michigan Court of Appeals ruling that reaffirmed a core constitutional principle: once both chambers of the Legislature approve a bill, it must be presented to the Governor for signature. The decision, issued on October 27, 2025, in *Senate Majority Leader v. House of Representatives* (Case No. 374786), arose after the House withheld nine duly enacted bills from the Governor during the 2024-2025 legislative session. The Court concluded that this action violated the Michigan Constitution’s presentment requirement, which requires all passed legislation to be promptly transmitted to the Governor for consideration.

Among the nine bills impacted by the decision is House Bill 4901 (HB 4901). This legislation, strongly advocated for by NACBA, would modernize Michigan’s outdated bankruptcy exemption laws—including critical updates to the state’s homestead exemption.

While the ruling does not mark the end of the case, it represents a significant victory for legislative integrity and Michigan consumers. The next step could be an appeal to the Michigan Supreme Court by the House of Representatives. If no appeal is filed, the Court of Claims will hold additional proceedings to determine how and when the bills are transmitted to the Governor. NACBA will continue to advocate for the prompt delivery of HB 4901 to Governor Whitmer for signature and for the enactment of these long-overdue updates to consumer debtor protections.

“This opinion reinforces the constitutional balance of power and ensures that the will of the Legislature cannot be stalled by procedural maneuvers,” said Richard Nemeth, NACBA President. “It’s an important win for fairness, transparency, and the integrity of our democratic process.”

NACBA extends its appreciation to the National Consumer Bankruptcy Rights Center (NCBRC) and the National Consumer Law Center (NCLC) for their vital support in this appeal, including joining in the filing of an amicus brief emphasizing the Legislature’s constitutional duty to deliver passed legislation to the Governor.

Background on HB 4901

HB 4901, which passed the Michigan Senate in December 2024 after an intense 29-hour session, represents the most comprehensive modernization of the state’s bankruptcy exemption laws in more than two decades.



Key provisions include:

- Homestead Exemption: Increases from \$30,000 to \$125,000 per debtor, or \$200,000 for those who are disabled or age 65 and older.
- Motor Vehicle Exemption: Raises from \$2,775 to \$15,000 per debtor.
- Tools of the Trade: Expands from \$2,000 to \$10,000 per debtor.
- Crime Victim Payments: Establishes a new exemption for payments to victims or their dependents.
- Inflation Adjustment: Introduces automatic triennial inflation updates to all exemption amounts.

“These reforms will make a meaningful difference for Michigan families trying to keep their homes, vehicles, and essential assets after financial hardship,” said Krista D’Amelio, NACBA Director of Government Affairs. “While this is not yet a final victory, it’s a huge step forward for Michigan consumers.”

NACBA extends its appreciation to NACBA Michigan members Matt Mason and Alexander Berry-Santoro for their critical work on this appeal, and to Kurt O’Keefe and other members for their legislative advocacy.

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About NACBA

The National Association of Consumer Bankruptcy Attorneys (NACBA) is the only national association dedicated to serving the needs of consumer bankruptcy attorneys and protecting the rights of consumer debtors. Founded in 1992, NACBA has been at the forefront of legislative advocacy, educational programming, and professional support for its members.

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