**Testimony of the National Association of Consumer Bankruptcy Attorneys (NACBA)**
**In Support of South Dakota Senate Bill 150**

Chair, members of the Senate Judiciary Committee:

Thank you for the opportunity to submit testimony on behalf of the National Association of Consumer Bankruptcy Attorneys (NACBA) in support of Senate Bill 150.

NACBA is a nationwide organization of roughly 2,500 consumer bankruptcy attorneys who represent consumer bankruptcy debtors in financial distress. Our members work every day with families facing job loss, medical debt, rising costs of living, and other unexpected hardships. We strongly support laws that provide reasonable, practical protections so working people can recover financially and remain productive members of their communities.

Senate Bill 150 is a commonsense reform that modernizes South Dakota's exemption laws by allowing any debtor—regardless of whether they are considered the "head of a family"—to exempt one motor vehicle from legal process. The bill also clearly establishes a motor vehicle exemption of up to $5,000 in equity, in addition to other property exemptions already permitted under state law.

This change is important for several reasons.

First, reliable transportation is not a luxury in South Dakota, it is a necessity. For many residents, especially those in rural or underserved areas, a car is the only practical way to get to work, take children to school, attend medical appointments, or buy groceries. When a debtor loses a vehicle to a creditor, it often triggers a downward spiral: missed work, job loss, and increased reliance on public assistance. Protecting a modest vehicle helps people remain employed and financially stable.

Second, the bill eliminates an outdated distinction between "heads of families" and other debtors. Modern households take many forms. Single individuals, seniors, young workers, and others may rely just as heavily on a vehicle as a traditional "head of family." By extending this protection to all debtors, SB 150 creates a fairer and more consistent exemption system.

Third, the bill sets a reasonable and limited exemption. The protection applies only to one motor vehicle, and only up to $5,000 in equity after accounting for any outstanding loans or security interests.

This ensures the exemption is targeted at modest, necessary transportation—not luxury assets—while still allowing creditors to pursue other non-exempt property.

Finally, clear and modern exemption laws benefit both debtors and creditors. They reduce litigation, simplify collection and bankruptcy proceedings, and provide predictability for all parties involved. When exemption statutes reflect real-world needs, they help people regain their financial footing more quickly, which ultimately strengthens local economies.

For these reasons, NACBA respectfully urges the committee to support Senate Bill 150. This legislation promotes fairness, supports working South Dakotans, and recognizes that access to reliable transportation is essential to financial stability and economic participation.

Thank you for your consideration. We would be happy to provide any additional information the committee may need.

Warmly,

Krista D'Amelio

Director of Government Affairs and Communications on behalf of the members of NACBA

Krista.damelio@nacba.com

National Association of Consumer Bankruptcy Attorneys
818 18th Street NW Suite 810 #7167 Washington, D.C. 20006
TELEPHONE 800.499.9040 FACSMILE 202.331.8535 WEB www.nacba.org