

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF IOWA**

In the Matter of:

Richard J. Cobb,  
Celeste L. Cobb

Case No. 12-01273-als7

Debtors

Chapter 7

**ORDER**

**(date entered on docket: October 2, 2012)**

COURSE OF PROCEEDINGS

Before the Court is the Trustee's Objection to Debtors' claim of exemption in a tractor as a household good pursuant to Iowa Code section 627.6(5). At the telephonic hearing Deborah L. Peterson, Trustee, appeared. Debtors were represented by Nicole B. Hughes. The Court has jurisdiction of this proceeding pursuant to 28 U.S.C. sections 157(b)(1) and 1334. The following findings of fact and conclusions of law are entered by the Court pursuant to Federal Rules of Bankruptcy Procedure 7052 and 9014. For the reasons set forth herein the Debtors' Objection to Trustee's Objection to Exemptions is sustained and the Debtors' claim of exemption in the tractor is granted.

FACTS

On April 19, 2012 Richard Cobb and Celeste Cobb ("Debtors") filed a voluntary bankruptcy petition. On their Schedule B, the Debtors listed a John Deere Tractor ("Tractor") with a stated value of \$15,000, which was claimed as exempt in its full value on Schedule C pursuant to Iowa Code section 627.6(12) (2012). This state law exemption relates to farming

equipment and is limited to \$10,000 per individual. On May 30, 2012 Debtors filed an amendment to their original Schedule B which reduced the claimed value of the Tractor to \$12,000. An amended Schedule C was also filed which changed the value of the exemption to \$10,800 and the basis for the exemption to a household good as provided for under Iowa Code Section 627.6(5) (2012). A timely objection was filed by the Chapter 7 trustee (“Trustee”) claiming that the Tractor is more than necessary for the maintenance of the Debtors’ home and should be construed as a luxury item. In their resistance the Debtors claim that due to a long, steep, unpaved driveway, the Tractor is essential to maintaining their property and allowing them to get to and from their jobs. The Tractor is routinely utilized to clear trees, remove snow and apply gravel. The parties have stipulated that the fair market value of the Tractor is \$12,000.

#### DISCUSSION

The sole issue to be determined is whether the Tractor fits within the definition of “household goods” under Iowa’s exemption provisions. The burden is on the objector to prove that the exemption is not properly claimed. See In re Kunkle, No. 93-60077LW, 1993 Bankr. LEXIS 2325 at \*4-6 (Bankr. N.D. Iowa June 4, 1993).

As permitted by 11 U.S.C. section 522(b), Iowa has opted out of the federal exemption scheme. See Iowa Code section 627.10 (2012). Iowa Code section 627.6(5) allows a debtor to exempt:

The debtor’s interest in . . . household goods *which include, but are not limited to*, appliances, radios, television sets, record or tape playing machines, compact disc players, satellite dishes, cable television equipment, computers, software, printers, digital video disc players, video players, and cameras held primarily for the personal, family or household use of the debtor and the debtor’s dependents, not to exceed in value seven thousand dollars in the aggregate.

(emphasis added). Exemptions are liberally construed in favor of a debtor to confer the intended benefit. See Frudden Lumber Co. v. Clifton, 183 N.W.2d 201, 203 (Iowa 1971). It is well settled that the language of a statute is given its plain meaning to initially determine the legislative intent. See In re Fowler, 784 N.W.2d 184, 187 (Iowa 2010); Benjegerdes v. Reindl (In re Reindl), 671 N.W. 2d 466, 469 (Iowa 2003). “The court is not at liberty to read into the statute provisions which the legislature did not see fit to incorporate, nor may it enlarge the scope of its provisions by an unwarranted interpretation of the language used.” Moulton v. Iowa Emp’t Sec. Comm’n, 34 N.W.2d 211, 216 (1948). The goal in interpreting a statute “is to discover the true intention of the legislature, considering the clearly stated objects and purposes involved.” Bernau v. Iowa Dep’t of Transp., 580 N.W.2d 757, 761 (Iowa 1998).

Iowa Code Section 627.6(5) contains examples of items that may be considered household goods, but this listing is not intended to be exhaustive based upon the plain language of the statute. The determination of what constitutes a household good must be made on a “case-by-case and item-by-item basis . . . because each individual household has different needs and wants.” In re Kunkle, No. 93-60077LW, 1993 Bankr. LEXIS 2325, at \*4 (Bankr. N.D. Iowa June 4, 1993).

At least one court has addressed the issue of whether a tractor is exempt as a household good. A Colorado bankruptcy court determined whether a debtor’s tractor was a household good under a similar exemption statute. In re Sarmiento, 363 B.R. 189 (Bankr. D. Colo. 2006). The court held that the Debtor’s use of the tractor for “tree clearance, road grading, and snow removal” was for household purposes. Id. at 192. In reaching this conclusion, the court noted that the tractor was never used for a commercial purpose, and they used it on a weekly basis and

would be unable to reach public roads after significant rain or snowfall without it. Id. The court summarized the tests used to determine if a tractor may qualify as a household good.

Some courts have focused on whether the tractor was used for a household, as opposed to a business, purpose. . . . Other courts have focused on whether a tractor is a type of item that is “convenient or useful to the debtor or his family or that enable[s] them to live in a comfortable and convenient manner.” . . . [A] distinction has been drawn between items that are “necessary to the functioning of the household,” which are included within the definition of household goods, and items that are merely recreational in nature, which are not.

Id. at 191 (citing In re Seel, 173 B.R. 734 (D. Kan. 1994); In re Langley, 21 B.R. 772 (Bankr. D. Me. 1982); General Finance Corp. v. Ruppe (In re Ruppe), 3 B.R. 60 (Bankr. D. Colo. 1980).

Cases which analyze whether a garden tractor or riding lawnmower falls within the definition of an exempt household good are also useful in the context of this proceeding. The Debtors point to In re Kunkle in support of their exemption claim in the tractor. No. 93-60077LW, Chapter 7, 1993 Bankr. LEXIS 2325, at \*5 (Bankr. N.D. Iowa June 4, 1993). In that case, the court interpreting the term “household good” found that because the Debtors had a substantial yard, a riding lawn mower was necessary to maintain the property and to clear snow in the winter, and that “the law mandates that the exemption statute be liberally construed in favor of the Debtor.” Id. at \*5.

In interpreting a Kansas statute, a court there considered whether a John Deere lawn mower with a value of \$3,800 was used for household rather than business purposes in reaching a decision on whether the item was exempt. See Seel v. Wittman (In re Seel) 173 B.R. 734 (D. Kan. 1994). The court determined that the “tractor mower” was used by the debtors in their business and was depreciated as a piece of business equipment on their tax returns. The court

stated that “the fact that the mower was occasionally used at their residence to mow their grass does not make it a household good.” Id. at 738.

There seems to be no dispute between the parties that the Tractor is used by the Debtors to maintain the driveway at their home. The Trustee argues that such a large tractor constitutes a luxury item and that a smaller tractor could do the same job. Synonyms for the term luxury include inessential and extravagant. Such descriptive terms seem incongruent with the Tractor at issue and its use. No evidence as to what kind of tractor would be smaller and cheaper but still equipped to do the job was supplied by the Trustee.

There is no evidence that the Tractor is used for any commercial purposes. The Debtors’ exhibits confirmed their claim that their driveway is very long and difficult to maintain. The Tractor enables them to access their property, reach their jobs and appears necessary to their fresh start. Although the Tractor in this case may be larger and more expensive than a riding lawnmower or garden tractor, the Iowa exemption statute does not designate a cap on the value of any single item. An individual is entitled to an exemption in the aggregate value of \$7,000 in household goods under Iowa Code Section 627.6(5) (2012). Combined, these Debtors are entitled to claim household goods up to \$14,000 in value in their joint filing. They are permitted to apply this amount in any fashion that comports with the statute, which could include a single item or multiple items. Their aggregate exemption value amount has not been exceeded in the claim of exemption for the Tractor.

Based upon the facts presented, and applying the reasoning from In re Kunkle, and the other cases cited herein, the Debtors’ objection to the Trustee’s Objection to Exemption is sustained and the claim of exemption in the amount of \$10,800 in the Tractor is granted.

/s/ Anita L. Shodeen  
Anita L. Shodeen  
U.S. Bankruptcy Judge

Parties receiving this Memorandum of Decision from the Clerk of Court:  
Electronic Filers in this Chapter Case