



House Bill No. 6466

Public Act No. 21-161

AN ACT CONCERNING PROPERTY THAT IS EXEMPT FROM A JUDGMENT CREDITOR.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 52-352b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

The following property of any natural person shall be exempt:

[(a)] (1) Necessary apparel, bedding, foodstuffs, household furniture and appliances;

[(b)] (2) Tools, books, instruments, farm animals and livestock feed, which are necessary to the exemptioner in the course of his or her occupation, profession or farming operation;

[(c)] (3) Burial plot for the exemptioner and his or her immediate family;

[(d)] (4) Public assistance payments and any wages earned by a public assistance recipient under an incentive earnings or similar program;

[(e)] (5) Health and disability insurance payments;

[(f)] (6) Health aids necessary to enable the exemptioner to work or to

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sustain health;

[(g)] (7) Workers' compensation, Social Security, veterans and unemployment benefits;

[(h)] (8) Court-approved payments for child support;

[(i)] (9) Arms and military equipment, uniforms or musical instruments owned by any member of the militia or armed forces of the United States;

[(j) One motor vehicle] (10) Up to two motor vehicles to the value of [three thousand five hundred] seven thousand dollars in the aggregate, provided value shall be determined as the fair market value of the motor [vehicle] vehicles less the amount of all liens and security interests which encumber [it] them;

[(k)] (11) Wedding and engagement rings;

[(l)] (12) Residential utility deposits for one residence, and one residential security deposit;

[(m)] (13) Any assets or interests of an exemptioner in, or payments received by the exemptioner from, a plan or arrangement described in section 52-321a, as amended by this act;

[(n)] (14) Alimony and support, other than child support, but only to the extent that wages are exempt from execution under section 52-361a;

[(o)] (15) An award under a crime reparations act;

[(p)] (16) All benefits allowed by any association of persons in this state towards the support of any of its members incapacitated by sickness or infirmity from attending to his usual business;

[(q)] (17) All moneys due the exemptioner from any insurance

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company on any insurance policy issued on exempt property, to the same extent that the property was exempt;

[(r)] (18) Any interest of the exemptioner in any property not to exceed in value one thousand dollars;

[(s)] (19) Any interest of the exemptioner not to exceed in value four thousand dollars in any accrued dividend or interest under, or loan value of, any unmaturing life insurance contract owned by the exemptioner under which the insured is the exemptioner or an individual of whom the exemptioner is a dependent;

(20) The cash surrender value of any life insurance policy issued upon the life of a citizen or resident of this state, unless the life insurance policy was assigned to or was effected for the benefit of the creditor or unless the purchase, sale, or transfer of the life insurance policy is made with the intent to defraud the creditor;

[(t)] (21) The homestead of the exemptioner to the value of [seventy-five thousand dollars, or, in the case of a money judgment arising out of services provided at a hospital, to the value of one hundred twenty-five thousand dollars] two hundred fifty thousand dollars, provided value shall be determined as the fair market value of the real property less the amount of any statutory or consensual lien which encumbers it, except that, in the case of a money judgment arising out of a claim of sexual abuse or exploitation of a minor, sexual assault or other wilful, wanton, or reckless misconduct committed by a natural person, to the value of seventy-five thousand dollars; and

[(u)] (22) Irrevocable transfers of money to an account held by a debt adjuster licensed pursuant to sections 36a-655 to 36a-665, inclusive, for the benefit of creditors of the exemptioner.

Sec. 2. Subdivision (1) of subsection (b) of section 12-162 of the general statutes is repealed and the following is substituted in lieu thereof

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(Effective October 1, 2021):

(b) (1) Except as provided in subdivision (2) of this subsection, upon the nonpayment of any property tax or any water or sanitation charges when due, demand having been made therefor as prescribed by law for the collection of such tax or such water or sanitation charges, an alias tax warrant may be issued by the tax collector, which may be in the following form:

"To a state marshal of the County of ..., or any constable of the Town of ... Greeting: By authority of the state of Connecticut you are hereby commanded to collect forthwith from ... of ... the sum of ... dollars, the same being the amount of a tax or water or sanitation charges, with interest or penalty and charges which have accumulated thereon, which tax was levied or which water or sanitation charges were imposed by (insert name of town, city or municipality laying the tax or imposing the water or sanitation charges) upon (insert the real estate, personal property, or both, as the case may be,) of said ... as of the ... day of (In like manner insert the amount of any other property tax or other water or sanitation charges which may have been levied or imposed in any other year, including interest or penalty and charges which have accumulated thereon). In default of payment of said amount you are hereby commanded to levy for said tax or taxes or such water or sanitation charges, including interest, penalty and charges, hereinafter referred to as the amount due on such execution, upon any goods and chattels of such person and dispose of the same as the law directs, notwithstanding the provisions of [subsection (j)] subdivision (10) of section 52-352b, and, after having satisfied the amount due on such execution, return the surplus, if any, to him; or, except as otherwise provided in section 12-162, you are to levy upon the real estate of such person and sell such real property pursuant to section 12-157, to pay the amount due on such execution; or you shall, in accordance with the provisions of section 12-162, make demand upon the main office of any

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financial institution indebted to such person, subject to the provisions of section 52-367a or 52-367b, as if judgment for the amount due on such execution had been entered, for that portion of any type of deposit to the credit of or property held for such person, not exceeding in total value the amount due on such execution; or you are to garnishee the wages due such person from any employer, in the same manner as if a wage execution therefor had been entered, in accordance with section 52-361a.

Dated at this day of A.D. 20.., Tax Collector."

Sec. 3. Subsection (b) of section 52-321a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(b) Nothing in this section shall impair the rights of an alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended. Nothing in this section or in [subsection (m)] subdivision (13) of section 52-352b, as amended by this act, shall impair the rights of the state to proceed under section 52-361a to recover the costs of incarceration under section 18-85a and regulations adopted in accordance with section 18-85a from any federal, state or municipal pension, annuity or insurance contract or similar arrangement described in subdivision (5) of subsection (a) of this section, provided the rights of an alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, shall take precedence over any such recovery. Nothing in this section or in [subsection (m)] subdivision (13) of section 52-352b, as amended by this act, shall impair the rights of a victim of crime to proceed under section 52-361a to recover damages awarded by a court of competent jurisdiction from any federal, state or

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municipal pension, annuity or insurance contract or similar arrangement described in subdivision (5) of subsection (a) of this section when such damages are the result of a crime committed by a participant or beneficiary of such pension, annuity or insurance contract or similar arrangement, provided the rights of an alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, shall take precedence over any such recovery.

Sec. 4. Section 52-352a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

[For the purposes of this section and sections 52-352b and 52-353, the following terms shall have the following meanings] As used in this section and sections 52-352b, as amended by this act, and 52-353:

[(a)] (1) "Value" means fair market value of the exemptioner's equity or unencumbered interest in the property;

[(b)] (2) "Necessary" means reasonably required to meet the needs of the exemptioner and his or her dependents including any special needs by reason of health or physical infirmity;

[(c)] (3) "Exempt" means, unless otherwise specified, not subject to any form of process or court order for the purpose of debt collection;

[(d)] (4) "Exemptioner" means the natural person entitled to an exemption under this section or section 52-352b, as amended by this act;

[(e)] (5) "Homestead" means owner-occupied real property, co-op or mobile manufactured home, as defined in subdivision (1) of section 21-64, used as a primary residence.

Sec. 5. Subsection (r) of section 52-367b of the general statutes is

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repealed and the following is substituted in lieu thereof (*Effective October 1, 2021*):

(r) For the purposes of this subsection, "exempt" has the same meaning as provided in [subsection (c)] subdivision (3) of section 52-352a, as amended by this act. Funds deposited in an account that has been established for the express purpose of receiving electronic direct deposits of public assistance or of Title IV-D child support payments from the Department of Social Services shall be exempt.

Approved July 12, 2021