
OLR Bill Analysis

HB 6466 (as amended by House "A")*

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

SUMMARY

By law, certain types and amounts of property, income, and assets are exempt from debt collection (i.e., attachment and post-judgment collections). The bill modifies this exemption by:

1. increasing the motor vehicle exemption from \$3,500 for one vehicle to \$7,000 in the aggregate for up to two vehicles, which, under existing law and the bill, is determined by the vehicle's fair market value minus all liens and security interests on it;
2. expanding the list of exemptions to include the cash surrender value of a state resident's life insurance policy unless the policy was (a) assigned to or effected for the creditor's benefit or (b) purchased, sold, or transferred with the intent to defraud the creditor;
3. increasing the homestead exemption to \$250,000, instead of \$75,000 or, for money judgements for hospital services, \$125,000 as under current law; and
4. limiting the homestead exemption to \$75,000 for money judgements for claims of sexual abuse or exploitation of a minor, sexual assault, or other willful, wanton, or reckless misconduct.

The bill also makes technical and conforming changes.

*House Amendment "A" applies the increased motor vehicle exemption amount to up to two vehicles in the aggregate, instead of just one vehicle.

EFFECTIVE DATE: October 1, 2021

BACKGROUND

Property Exempt from Execution

In addition to certain automatically exempt funds, existing law allows a debtor to claim several exemptions, including for necessary apparel and food, necessary professional tools and books, burial plots, health and disability insurance payments, and any interest in any property up to \$1,000 (CGS § 52-352b).

COMMITTEE ACTION

Judiciary Committee

Joint Favorable

Yea 36 Nay 1 (04/05/2021)