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I N   S E N A T E

March 9, 2010

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Introduced by Sen. SCHNEIDERMAN -- read twice and ordered printed, and  
when printed to be committed to the Committee on Codes

AN ACT to amend the civil practice law and rules, in relation to  
increasing the property values which are exempt from the satisfaction  
of a money judgment; and to amend the debtor and creditor law, in  
relation to increasing the exemptions in bankruptcy

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-  
BLY, DO ENACT AS FOLLOWS:

- 1     Section 1. Subdivision (a) of section 5205 of the civil practice law  
2     and rules, the opening paragraph as amended by chapter 129 of the laws  
3     of 1976 and paragraph 5 as amended by chapter 697 of the laws of 1976,  
4     is amended to read as follows:  
5     (a) Exemption for personal property. The following personal property  
6     when owned by any person is exempt from application to the satisfaction  
7     of a money judgment except where the judgment is for the purchase price  
8     of the exempt property or was recovered by a domestic, laboring person  
9     or mechanic for work performed by that person in such capacity:  
10    1. all stoves AND HOME HEATING EQUIPMENT kept for use in the judgment  
11    debtor's dwelling house and necessary fuel therefor for [sixty] ONE  
12    HUNDRED TWENTY days; one sewing machine with its appurtenances;  
13    2. [the family bible] RELIGIOUS TEXTS, family pictures AND PORTRAITS,  
14    and school books used by the judgment debtor or in the family; and other  
15    books, not exceeding [fifty] FIVE HUNDRED dollars in value, kept and  
16    used as part of the family or judgment debtor's library;  
17    3. a seat or pew occupied by the judgment debtor or the family in a  
18    place of public worship;  
19    4. domestic animals with the necessary food for those animals for  
20    [sixty] ONE HUNDRED TWENTY days, provided that the total value of such  
21    animals and food does not exceed [four hundred fifty] ONE THOUSAND  
22    dollars; all necessary food actually provided for the use of the judg-  
23    ment debtor or his family for [sixty] ONE HUNDRED TWENTY days;  
24    5. all wearing apparel, household furniture, one mechanical, gas or  
25    electric refrigerator, one radio receiver, one television set, ONE  
26    COMPUTER AND ASSOCIATED EQUIPMENT, ONE CELLPHONE, crockery, tableware

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 and cooking utensils necessary for the judgment debtor and the family;  
2 ALL PRESCRIBED HEALTH AIDS;

3 6. a wedding ring; a watch, JEWELRY AND ART not exceeding [thirty-  
4 five] ONE THOUSAND dollars in value; [and]

5 7. TOOLS OF TRADE, necessary working tools and implements, including  
6 those of a mechanic, farm machinery, team, professional instruments,  
7 furniture and library, not exceeding [six hundred] THREE THOUSAND  
8 dollars in value, together with the necessary food for the team for  
9 [sixty] ONE HUNDRED TWENTY days, provided, however, that the articles  
10 specified in this paragraph are necessary to the carrying on of the  
11 judgment debtor's profession or calling[.];

12 8. ONE MOTOR VEHICLE NOT EXCEEDING FOUR THOUSAND DOLLARS IN VALUE  
13 ABOVE LIENS AND ENCUMBRANCES OF THE DEBTOR; IF SUCH VEHICLE HAS BEEN  
14 EQUIPPED FOR USE BY A DISABLED DEBTOR, THEN TEN THOUSAND DOLLARS IN  
15 VALUE ABOVE LIENS AND ENCUMBRANCES OF THE DEBTOR; PROVIDED, HOWEVER,  
16 THAT THIS EXEMPTION FOR ONE MOTOR VEHICLE SHALL NOT APPLY IF THE DEBT  
17 ENFORCED IS FOR CHILD SUPPORT, SPOUSAL SUPPORT, MAINTENANCE OR ALIMONY;  
18 AND

19 9. IF NO HOMESTEAD EXEMPTION IS CLAIMED, THEN ONE THOUSAND DOLLARS IN  
20 PERSONAL PROPERTY, BANK ACCOUNT OR CASH.

21 S 2. Section 5206 of the civil practice law and rules, as amended by  
22 chapter 181 of the laws of 1977, subdivisions (a), (d) and (e) as  
23 amended by chapter 623 of the laws of 2005, is amended to read as  
24 follows:

25 S 5206. Real property exempt from application to the satisfaction of  
26 money judgments. (a) Exemption of homestead. Property of one of the  
27 following types, not exceeding ONE HUNDRED fifty thousand dollars FOR  
28 THE COUNTIES OF KINGS, QUEENS, NEW YORK, BRONX, RICHMOND, NASSAU,  
29 SUFFOLK, ROCKLAND, WESTCHESTER AND PUTNAM; ONE HUNDRED TWENTY-FIVE THOU-  
30 SAND DOLLARS FOR THE COUNTIES OF DUTCHESS, ALBANY, COLUMBIA, ORANGE,  
31 SARATOGA AND ULSTER; AND SEVENTY-FIVE THOUSAND DOLLARS FOR THE REMAINING  
32 COUNTIES OF THE STATE in value above liens and encumbrances, owned and  
33 occupied as a principal residence, is exempt from application to the  
34 satisfaction of a money judgment, unless the judgment was recovered  
35 wholly for the purchase price thereof:

- 36 1. a lot of land with a dwelling thereon,
- 37 2. shares of stock in a cooperative apartment corporation,
- 38 3. units of a condominium apartment, or
- 39 4. a mobile home.

40 But no exempt homestead shall be exempt from taxation or from sale for  
41 non-payment of taxes or assessments.

42 (b) Homestead exemption after owner's death. The homestead exemption  
43 continues after the death of the person in whose favor the property was  
44 exempted for the benefit of the surviving spouse and surviving children  
45 until the majority of the youngest surviving child and until the death  
46 of the surviving spouse.

47 (c) Suspension of occupation as affecting homestead. The homestead  
48 exemption ceases if the property ceases to be occupied as a residence by  
49 a person for whose benefit it may so continue, except where the suspen-  
50 sion of occupation is for a period not exceeding one year, and occurs in  
51 consequence of injury to, or destruction of, the dwelling house upon the  
52 premises.

53 (d) Exemption of homestead exceeding ONE HUNDRED fifty thousand  
54 dollars in value FOR THE COUNTIES OF KINGS, QUEENS, NEW YORK, BRONX,  
55 RICHMOND, NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER AND PUTNAM; ONE HUNDRED  
56 TWENTY-FIVE THOUSAND DOLLARS FOR THE COUNTIES OF DUTCHESS, ALBANY,

COLUMBIA, ORANGE, SARATOGA AND ULSTER; AND SEVENTY-FIVE THOUSAND DOLLARS FOR THE REMAINING COUNTIES OF THE STATE. The exemption of a homestead is not void because the value of the property exceeds ONE HUNDRED fifty thousand dollars FOR THE COUNTIES OF KINGS, QUEENS, NEW YORK, BRONX, RICHMOND, NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER AND PUTNAM; ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS FOR THE COUNTIES OF DUTCHESS, ALBANY, COLUMBIA, ORANGE, SARATOGA AND ULSTER; AND SEVENTY-FIVE THOUSAND DOLLARS FOR THE REMAINING COUNTIES OF THE STATE but the lien of a judgment attaches to the surplus.

(e) Sale of homestead exceeding ONE HUNDRED fifty thousand dollars FOR THE COUNTIES OF KINGS, QUEENS, NEW YORK, BRONX, RICHMOND, NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER AND PUTNAM; ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS FOR THE COUNTIES OF DUTCHESS, ALBANY, COLUMBIA, ORANGE, SARATOGA AND ULSTER; AND SEVENTY-FIVE THOUSAND DOLLARS FOR THE REMAINING COUNTIES OF THE STATE in value. A judgment creditor may commence a special proceeding in the county in which the homestead is located against the judgment debtor for the sale, by a sheriff or receiver, of a homestead exceeding ONE HUNDRED fifty thousand dollars FOR THE COUNTIES OF KINGS, QUEENS, NEW YORK, BRONX, RICHMOND, NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER AND PUTNAM; ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS FOR THE COUNTIES OF DUTCHESS, ALBANY, COLUMBIA, ORANGE, SARATOGA AND ULSTER; AND SEVENTY-FIVE THOUSAND DOLLARS FOR THE REMAINING COUNTIES OF THE STATE in value. The court may direct that the notice of petition be served upon any other person. The court, if it directs such a sale, shall so marshal the proceeds of the sale that the right and interest of each person in the proceeds shall correspond as nearly as may be to his right and interest in the property sold. Money, not exceeding ONE HUNDRED fifty thousand dollars FOR THE COUNTIES OF KINGS, QUEENS, NEW YORK, BRONX, RICHMOND, NASSAU, SUFFOLK, ROCKLAND, WESTCHESTER AND PUTNAM; ONE HUNDRED TWENTY-FIVE THOUSAND DOLLARS FOR THE COUNTIES OF DUTCHESS, ALBANY, COLUMBIA, ORANGE, SARATOGA AND ULSTER; AND SEVENTY-FIVE THOUSAND DOLLARS FOR THE REMAINING COUNTIES OF THE STATE, paid to a judgment debtor, as representing his interest in the proceeds, is exempt for one year after the payment, unless, before the expiration of the year, he acquires an exempt homestead, in which case, the exemption ceases with respect to so much of the money as was not expended for the purchase of that property; and the exemption of the property so acquired extends to every debt against which the property sold was exempt. Where the exemption of property sold as prescribed in this subdivision has been continued after the judgment debtor's death, or where he dies after the sale and before payment to him of his portion of the proceeds of the sale, the court may direct that portion of the proceeds which represents his interest be invested for the benefit of the person or persons entitled to the benefit of the exemption, or be otherwise disposed of as justice requires.

(f) Exemption of burying ground. Land, set apart as a family or private burying ground, is exempt from application to the satisfaction of a money judgment, upon the following conditions only:

1. a portion of it must have been actually used for that purpose;
2. it must not exceed in extent one-fourth of an acre; and
3. it must not contain any building or structure, except one or more vaults or other places of deposit for the dead, or mortuary monuments.

S 3. Subdivision 1 of section 282 of the debtor and creditor law, as added by chapter 540 of the laws of 1982, is amended to read as follows:

1. Bankruptcy exemption of a motor vehicle. One motor vehicle not exceeding [twenty-four hundred] FOUR THOUSAND dollars in value above liens and encumbrances of the debtor; PROVIDED, HOWEVER, IF SUCH VEHICLE

1 HAS BEEN EQUIPPED FOR USE BY A DISABLED DEBTOR, THEN TEN THOUSAND  
2 DOLLARS IN VALUE ABOVE LIENS AND ENCUMBRANCES OF THE DEBTOR.

3 S 4. Section 283 of the debtor and creditor law, as added by chapter  
4 540 of the laws of 1982, is amended to read as follows:

5 S 283. Aggregate individual bankruptcy exemption for certain annuities  
6 and personal property. 1. General application. The aggregate amount the  
7 debtor may exempt from the property of the estate for personal property  
8 exempt from application to the satisfaction of a money judgment under  
9 subdivision (a) of section fifty-two hundred five of the civil practice  
10 law and rules and for benefits, rights, privileges, and options of annu-  
11 ity contracts described in the following sentence shall not exceed  
12 [five] TEN thousand dollars. Annuity contracts subject to the foregoing  
13 limitation are those that are: (a) initially purchased by the debtor  
14 within six months of the debtor's filing a petition in bankruptcy, (b)  
15 not described in any paragraph of section eight hundred five (d) of the  
16 Internal Revenue Code of nineteen hundred fifty-four, and (c) not  
17 purchased by application of proceeds under settlement options of annuity  
18 contracts purchased more than six months before the debtor's filing a  
19 petition in bankruptcy or under settlement options of life insurance  
20 policies.

21 2. Contingent alternative bankruptcy exemption. Notwithstanding  
22 section two hundred eighty-two of this article, a debtor, who (a) does  
23 not elect, claim, or otherwise avail himself of an exemption described  
24 in section fifty-two hundred six of the civil practice law and rules;  
25 (b) utilizes to the fullest extent permitted by law as applied to said  
26 debtor's property, the exemptions referred to in subdivision one of this  
27 section which are subject to the [five] TEN thousand dollar aggregate  
28 limit; and (c) does not reach such aggregate limit, may exempt cash in  
29 the amount by which [five] TEN thousand dollars exceeds the aggregate of  
30 his OR HER exemptions referred to in subdivision one of this section or  
31 in the amount of [two] FIVE thousand [five hundred] dollars, whichever  
32 amount is less. For purposes of this subdivision, cash means currency of  
33 the United States at face value, savings bonds of the United States at  
34 face value, the right to receive a refund of federal, state and local  
35 income taxes, and deposit accounts in any state or federally chartered  
36 depository institution.

37 S 5. The debtor and creditor law is amended by adding a new section  
38 285 to read as follows:

39 S 285. ALTERNATIVE FEDERAL EXEMPTIONS. NOTWITHSTANDING ANY INCONSIST-  
40 ENT PROVISION OF LAW, AN INDIVIDUAL DEBTOR MAY OPT TO EXEMPT FROM PROP-  
41 erty OF THE ESTATE SUCH PROPERTY AS IS PERMITTED TO BE EXEMPTED PURSUANT  
42 TO SECTION FIVE HUNDRED TWENTY-TWO OF TITLE ELEVEN OF THE UNITED STATES  
43 CODE IN LIEU OF SUCH PROPERTY AS IS PERMITTED TO BE EXEMPTED PURSUANT TO  
44 THE APPLICABLE PROVISIONS OF THIS ARTICLE.

45 S 6. The civil practice law and rules is amended by adding a new  
46 section 5253 to read as follows:

47 S 5253. COST OF LIVING ADJUSTMENT FOR PERSONAL AND REAL PROPERTY  
48 EXEMPT FROM APPLICATION TO THE SATISFACTION OF MONEY JUDGMENTS AND  
49 EXEMPTIONS IN BANKRUPTCY. (A) BEGINNING ON APRIL FIRST, TWO THOUSAND  
50 TWELVE, AND AT EACH THREE-YEAR INTERVAL ENDING ON APRIL FIRST THEREAFT-  
51 ER, THE DOLLAR AMOUNT OF THE EXEMPTION PROVIDED IN SECTIONS FIFTY-TWO  
52 HUNDRED FIVE AND FIFTY-TWO HUNDRED SIX OF THIS ARTICLE AND SECTIONS TWO  
53 HUNDRED EIGHTY-TWO AND TWO HUNDRED EIGHTY-THREE OF THE DEBTOR AND CREDI-  
54 TOR LAW SHALL BE ADJUSTED AS PROVIDED IN SUBDIVISION (B) OF THIS  
55 SECTION.

1 (B) THE SUPERINTENDENT OF BANKS SHALL DETERMINE THE AMOUNT OF THE  
2 ADJUSTMENT BASED ON THE CHANGE IN THE CONSUMER PRICE INDEX FOR ALL URBAN  
3 CONSUMERS, NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA,  
4 PUBLISHED BY THE U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS,  
5 FOR THE MOST RECENT THREE-YEAR PERIOD ENDING ON DECEMBER THIRTY-FIRST  
6 PRECEDING THE ADJUSTMENT, WITH EACH ADJUSTED AMOUNT ROUNDED TO THE NEAR-  
7 EST TWENTY-FIVE DOLLARS.

8 (C) BEGINNING ON APRIL FIRST, TWO THOUSAND TWELVE, AND AT EACH THREE-  
9 YEAR INTERVAL ENDING ON APRIL FIRST THEREAFTER, THE SUPERINTENDENT OF  
10 BANKS SHALL PUBLISH THE CURRENT DOLLAR AMOUNT OF THE APPLICABLE  
11 EXEMPTION PROVIDED IN THIS ARTICLE, TOGETHER WITH THE DATE OF THE NEXT  
12 SCHEDULED ADJUSTMENT. THE PUBLICATION SHALL BE SUBSTANTIALLY IN THE FORM  
13 SET FORTH BELOW:

14 "CURRENT DOLLAR AMOUNT OF EXEMPTION FROM APPLICATION TO THE SATISFAC-  
15 TION OF MONEY JUDGMENTS UNDER NEW YORK CIVIL PRACTICE LAW AND RULES  
16 SECTIONS 5205 AND 5206 AND EXEMPTIONS IN BANKRUPTCY UNDER DEBTOR AND  
17 CREDITOR LAW SECTIONS 282 AND 283:

18 THE FOLLOWING IS THE CURRENT DOLLAR AMOUNT OF EXEMPTIONS FROM THE  
19 SATISFACTION OF MONEY JUDGMENTS UNDER CIVIL PRACTICE LAW AND RULES  
20 SECTIONS 5205 AND 5206 AND UNDER DEBTOR AND CREDITOR LAW SECTIONS 282  
21 AND 283:

22 (AMOUNT)

23 THIS AMOUNT IS EFFECTIVE ON APRIL 1, (YEAR) AND SHALL NOT APPLY TO  
24 CASES COMMENCED BEFORE APRIL 1, (YEAR). THE NEXT ADJUSTMENT IS SCHEDULED  
25 FOR APRIL 1, (YEAR). SUCH ADJUSTMENTS SHALL NOT APPLY WITH RESPECT TO  
26 RESTRAINING NOTICES SERVED OR EXECUTIONS EFFECTED BEFORE THE DATE OF THE  
27 ADJUSTMENT. NOTHING IN THIS SECTION LIMITS THE JUDGMENT DEBTOR'S  
28 EXEMPTION RIGHTS IN THIS SECTION OR UNDER ANY OTHER LAW."

29 S 7. This act shall take effect on the thirtieth day after it shall  
30 have become a law and shall apply to the satisfaction of judgments on or  
31 after such date.