STATE OF NEW YORK

8109

2025-2026 Regular Sessions

IN SENATE

May 15, 2025

Introduced by Sen. S. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the civil practice law and rules and the debtor and creditor law, in relation to the motor vehicle exemption and the homestead exemption for certain money judgments and bankruptcy proceedings

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Paragraph 8 of subdivision (a) of section 5205 of the civil practice law and rules, as amended by chapter 1 of the laws of 2011, is amended to read as follows:

8. one motor vehicle not exceeding [~~four~~] ten thousand dollars in value above liens and encumbrances of the debtor; if such vehicle has been equipped for use by a disabled debtor, then [~~ten~~] twenty-five thousand dollars in value above liens and encumbrances of the debtor; provided, however, that this exemption for one motor vehicle shall not apply if the debt enforced is for child support, spousal support, maintenance, alimony or equitable distribution, or if the state of New York or any of its agencies or any municipal corporation is the judgment creditor; and

§ 2. Subdivisions (a), (d) and (e) of section 5206 of the civil practice law and rules, as amended by chapter 568 of the laws of 2010, are amended and a new subdivision (g) is added to read as follows:

(a) Exemption of homestead. Property of one of the following types, 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~~] the homestead exemption amount for the remaining counties of the state in value above liens and encumbrances, owned and occupied as a principal residence, is exempt from application

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

LBD09079-01-5

to the satisfaction of a money judgment, unless the judgment was recovered wholly for the purchase price thereof:

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

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

(d) Exemption of homestead exceeding [~~one hundred fifty thousand dollars in value 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~~] **the homestead exemption amount**. 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~~] **the homestead exemption amount** 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~~] **the homestead exemption amount**. 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~~] **the homestead exemption amount** 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~~] **such judgment debtor's** 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~~] **the homestead exemption amount**, paid to a judgment debtor, as representing [~~his~~] **such judgment debtor's** interest in the proceeds, is exempt for one year after the payment, unless, before the expiration of the year, [~~he~~] **such judgment debtor** 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~~] **such judgment debtor** dies after the sale and before

payment to [~~him~~] **such judgment debtor** of [~~his~~] **such judgment debtor's** portion of the proceeds of the sale, the court may direct that portion of the proceeds which represents [~~his~~] **such judgment debtor's** 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.

(g) Homestead exemption amount. For the purposes of this section, the term "homestead exemption amount" shall mean six hundred thousand dollars for the counties of Kings, Queens, New York, Bronx, Richmond, Nassau, Suffolk, Rockland, Westchester and Putnam; five hundred thousand dollars for the counties of Dutchess, Albany, Columbia, Orange, Saratoga and Ulster; and three hundred thousand dollars for the remaining counties of the state.

§ 3. Subdivision (b) of section 5253 of the civil practice law and rules, as added by chapter 568 of the laws of 2010 and as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

(b) [~~The~~] **(1) Except as otherwise provided by paragraph two of this subdivision, the** superintendent of financial services shall determine the amount of the adjustment based on the change in the consumer price index for all urban consumers, New York-Northern New Jersey-Long Island, NY-NJ-CT-PA, published by the U.S. department of labor, bureau of labor statistics, for the most recent three-year period ending on December thirty-first preceding the adjustment, with each adjusted amount rounded to the nearest twenty-five dollars.

(2) Beginning April first, two thousand twenty-seven, and every three years thereafter, the superintendent of financial services shall determine the amount of the adjustment of the dollar amount of the homestead exemption provided in section fifty-two hundred six of this article and section two hundred eighty-two of the debtor and creditor law based on the change in the median value of owner-occupied housing units for the state of New York found in the five-year estimates of the American community survey for the most recent year then available, compared to the median value of owner-occupied housing units for the state of New York found in five-year estimates of the American community survey for the year three years previous to the most recent year then available, as published by the United States census bureau.

§ 4. Subdivision 1 of section 282 of the debtor and creditor law, as amended by chapter 568 of the laws of 2010, is amended to read as follows:

1. Bankruptcy exemption of a motor vehicle. One motor vehicle not exceeding [~~four~~] **ten** thousand dollars in value above liens and encumbrances of the debtor; provided, however, if such vehicle has been equipped for use by a disabled debtor, then [~~ten~~] **twenty-five** thousand dollars in value above liens and encumbrances of the debtor**; provided, however, that a debtor in a bankruptcy proceeding shall not exempt a motor vehicle under this subdivision where such debtor has exempted the same motor vehicle under subdivision eight of section fifty-two hundred five of the civil practice law and rules**.

(b) Not withstanding the opening paragraph of this section, an individual bankruptcy debtor domiciled in this state who is not the sole owner of such debtor's homestead property and who is claiming the homestead exemption under section fifty-two hundred six of the civil practice law and rules may claim as an exemption:

(1) if such debtor holds a one-half interest in the equity in such homestead property, one-half of the homestead exemption; or

(2) if such debtor holds a different fractional interest in the equity of such homestead property, a fractional share of the homestead exemption equivalent to such debtor's fractional equity interest.

§ 5. This act shall take effect immediately.