

25105683D

HOUSE BILL NO. 1864

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee for Courts of Justice on January 24, 2025)

(Patron Prior to Substitute—Delegate Hernandez)

A BILL to amend and reenact § 34-14 of the Code of Virginia, relating to garnishments; automatic exemption; accounts with depository institution.

Be it enacted by the General Assembly of Virginia:

1. That § 34-14 of the Code of Virginia is amended and reenacted as follows:

§ 34-14. How set apart in personal estate; automatic exemption; accounts with depository institutions; form to claim exemption of personal property.

A. Holdings of a householder across accounts in a depository institution that has been subjected to garnishment that shall not exceed \$500 in value. A depository institution shall, upon receipt of an order of garnishment, attachment, or other levy, answer such order and, if the householder maintains a deposit account or accounts with such depository institution, state that (i) the total amount in such account or accounts does not exceed \$500 or (ii) the total amount in such account or accounts does exceed \$500 and that the amount of funds in excess of \$500 is being held by such institution pending further order of the court. For the purposes of this subsection, "depository institution" means any bank, credit union, or savings institution.

This subsection shall only apply to \$500 total in depository accounts with any given depository institution. Nothing in this subsection shall be construed to create a cause of action against a depository institution that complies with a writ of garnishment or other levy or attachment.

The \$500 amount excluded from any order of garnishment, attachment, or other levy shall be reduced from the balance of the householder's homestead exemption under § 34-4, 34-4.1, or 34-13, until the exemption is fully exhausted only if the amount excluded is not otherwise attributable to the householder's exemptions under any other applicable provision of state or federal law.

Nothing in this subsection shall prevent a householder whose accounts total more than \$500 from claiming and itemizing further exemptions through the procedures set forth in § 8.01-512.4 or as otherwise authorized by law.

On April 1, 2027, and at each three-year interval ending on April 1 thereafter, the monetary limit in effect under this section immediately before such April 1 shall be adjusted to reflect the change in the Consumer Price Index for all urban consumers (CPI-U), as published by the Bureau of Labor Statistics of the U.S. Department of Labor, for the most recent three-year period ending immediately before January 1 preceding such April 1, and rounded to the nearest \$25, the dollar amount that represents such change. Adjustments made in this subsection shall not apply with respect to bankruptcy cases commenced before April 1, 2027.

B. Such personal estate selected by the householder under § 34-4, 34-4.1, or 34-13 shall be set apart in a writing signed by him. He shall, in the writing, designate and describe with reasonable certainty the personal estate so selected and set apart and each parcel or article, affixing to each his cash valuation thereof. The amount claimed under this subsection shall be reduced by any amounts previously claimed under subsection A that are not otherwise attributable to the householder's exemptions pursuant to any other applicable provision of state or federal law. Such writing shall be admitted to record, to be recorded as deeds are recorded in the county or city wherein such householder resides. However, if such personal estate is claimed exempt in a case filed under Title 11 of the United States Code, the official Schedule of Property Claimed as Exempt filed in the United States Bankruptcy Court claiming such exemptions shall be sufficient to set apart such property as exempt.

The following form, or one which is substantially similar, shall be used and shall be sufficient, when duly admitted to record in the county or city in which the householder resides, to exempt such described personal property from creditor process:

HOMESTEAD DEED FOR PERSONAL PROPERTY

Name of Householder _____

Is the householder a disabled veteran entitled to claim the additional exemption under § 34-4.1? _____

Address of Householder _____

Name(s) and age(s) of dependent(s) _____

County/city in which householder resides _____

Description of property claimed as exempt and its value _____

Number of homestead deeds that have been filed by the Householder _____

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60 _____
61 Exemption amount previously claimed on prior homestead deeds

62 _____
63 List the jurisdictions where previous homestead deeds were filed

64 _____
65 _____ (Signature of Householder)

66 _____ [ACKNOWLEDGMENT]

67 Such writing or deed shall not be required to secure any exemption under this Code except those
68 exemptions created by §§ 34-4, 34-4.1, and 34-13.

69 **2. That not later than March 1, 2027, and at each three-year interval ending on March 1 thereafter, the**
70 **Department of Planning and Budget shall submit the updated dollar amounts that will become**
71 **effective on April 1 pursuant to the provisions of this act to the Virginia Code Commission for**
72 **purposes of amending § 34-14 of the Code of Virginia, as amended by this act.**