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**ENGROSSED SUBSTITUTE SENATE BILL 5173**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Senate Law & Justice (originally sponsored by Senators Stanford, Hasegawa, Kuderer, Pedersen, Saldaña, and Trudeau)

AN ACT Relating to property exempt from execution; amending RCW 6.15.010, 6.15.010, and 51.32.040; providing an effective date; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 6.15.010 and 2021 c 50 s 2 are each amended to read as follows:

(1) Except as provided in RCW 6.15.050, the following personal property is exempt from execution, attachment, and garnishment:

(a) All wearing apparel of every individual and family, but not to exceed ((~~three thousand five hundred dollars~~)) $3,500 in value in furs, jewelry, and personal ornaments for any individual.

(b) All private libraries including electronic media, which includes audiovisual, entertainment, or reference media in digital or analogue format, of every individual, but not to exceed ((~~three thousand five hundred dollars~~)) $3,500 in value, and all family pictures and keepsakes.

(c) A cell phone, personal computer, and printer.

(d) To each individual or, as to community property of spouses maintaining a single household as against a creditor of the community, to the community, provided that each spouse is entitled to his or her own exemptions in this subsection (1)(d):

(i) ((~~The individual's or community's~~)) All household goods, appliances, furniture, and home and yard equipment, not to exceed ((~~six thousand five hundred dollars~~)) $6,500 in value for the individual ((~~or thirteen thousand dollars for the community, no single item to exceed seven hundred fifty dollars~~)), said amount to include provisions and fuel for ((~~the~~)) comfortable maintenance ((~~of the individual or community~~));

(ii) In a bankruptcy case, any other personal property, except personal earnings as provided under RCW 6.15.050(1), not to exceed $10,000 in value. The value shall be determined as of the date the bankruptcy petition is filed;

(iii) Other than in a bankruptcy case as described in (d)(ii) of this subsection, other personal property, except personal earnings as provided under RCW 6.15.050(1), not to exceed ((~~three thousand dollars~~)) $3,000 in value, ((~~of which not more than one thousand five hundred dollars in value may consist of cash, and~~)) of which not more than:

(A) For all debts except private student loan debt and consumer debt, ((~~five hundred dollars~~)) $500 in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under this subsection (1)(d)((~~(ii)~~)) (iii)(A) shall be automatically protected and may not exceed ((~~five hundred dollars~~)) $500, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.

(B) For all private student loan debt, ((~~two thousand five hundred dollars~~)) $2,500 in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. $1,000 in value shall be automatically protected. The maximum exemption under this subsection (1)(d)((~~(ii)~~)) (iii)(B) may not exceed ((~~two thousand five hundred dollars~~)) $2,500, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.

(C) For all consumer debt, ((~~two thousand dollars~~)) $2,000 in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. $1,000 in value shall be automatically protected. The maximum exemption under this subsection (1)(d)((~~(ii)~~)) (iii)(C) may not exceed ((~~two thousand dollars~~)) $2,000, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities;

((~~(iii) For an individual, a~~)) (iv) A motor vehicle ((~~used for personal transportation,~~)) not to exceed ((~~three thousand two hundred fifty dollars or for a community two motor vehicles used for personal transportation, not to exceed six thousand five hundred dollars~~)) $15,000 in aggregate value;

((~~(iv)~~)) (v) Any past due, current, or future child support paid or owed to the debtor, which can be traced;

((~~(v)~~)) (vi) All professionally prescribed health aids for the debtor or a dependent of the debtor; ((~~and~~

~~(vi)~~)) (vii) To any individual, the right to or proceeds of a payment not to exceed twenty thousand dollars on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the debtor or an individual of whom the debtor is a dependent; or the right to or proceeds of a payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor; and

(viii) In a bankruptcy case, the right to or proceeds of personal injury of the debtor or an individual of whom the debtor is a dependent; or the right to or proceeds of a payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a dependent are free of the enforcement of the claims of creditors, except to the extent such claims are for the satisfaction of any liens or subrogation claims arising out of the claims for personal injury or death. The exemption under this subsection (1)(d)((~~(vi)~~)) (viii) does not apply to the right of the state of Washington, or any agent or assignee of the state, as a lienholder or subrogee under RCW 43.20B.060.

(e) ((~~To each qualified individual, one of the following exemptions:~~

~~(i) To a farmer, farm trucks, farm stock, farm tools, farm equipment, supplies and seed, not to exceed ten thousand dollars in value;~~

~~(ii) To a physician, surgeon, attorney, member of the clergy, or other professional person, the individual's library, office furniture, office equipment and supplies, not to exceed ten thousand dollars in value;~~

~~(iii)~~)) To any ((~~other~~)) individual, the tools ((~~and~~)), instruments ((~~and~~)), materials, and supplies used to carry on his or her trade ((~~for the support of himself or herself or family,~~)) not to exceed ((~~ten thousand dollars~~)) $15,000 in value.

(f) Tuition units, under chapter 28B.95 RCW, purchased more than two years prior to the date of a bankruptcy filing or court judgment, and contributions to any other qualified tuition program under 26 U.S.C. Sec. 529 of the internal revenue code of 1986, as amended, and to a Coverdell education savings account, also known as an education individual retirement account, under 26 U.S.C. Sec. 530 of the internal revenue code of 1986, as amended, contributed more than two years prior to the date of a bankruptcy filing or court judgment.

(2) For purposes of this section, "value" means the reasonable market value of the debtor's interest in an article or item at the time it is selected for exemption, exclusive of all liens and encumbrances thereon.

(3) In the case of married persons, each spouse is entitled to the exemptions provided in this section, which may be combined with the other spouse's exemption in the same property or taken in different exempt property.

(4)(a) Beginning April 2026, and each April on a three-year interval thereafter, the department of revenue must adjust the applicable amounts for the following three-year interval by multiplying the current applicable amounts by one plus the percentage by which the most current consumer price index available on January 31st of the year of such April exceeds the consumer price index for the prior three-year period, and rounding the result to the nearest $25. If an adjustment under this subsection (4) would reduce the applicable amounts under this section, the department of revenue must not adjust the applicable amounts for use in the three-year interval. The department of revenue must publish the adjusted applicable amounts on its public website by April 1st of the first year of the three-year interval in which the applicable amounts are adjusted. The adjusted applicable amounts calculated under this subsection (4) take effect on April 1st of the calendar year in which they are adjusted under this subsection (4).

(b) For purposes of this subsection (4):

(i) "Applicable amounts" means each dollar amount in effect under this section.

(ii) "Consumer price index" means the consumer price index seasonally adjusted for all urban consumers, all items, for the United States as calculated by the United States bureau of labor statistics or its successor agency.

**Sec.**  RCW 6.15.010 and 2019 c 371 s 3 are each amended to read as follows:

(1) Except as provided in RCW 6.15.050, the following personal property is exempt from execution, attachment, and garnishment:

(a) All wearing apparel of every individual and family, but not to exceed ((~~three thousand five hundred dollars~~)) $3,500 in value in furs, jewelry, and personal ornaments for any individual.

(b) All private libraries including electronic media, which includes audiovisual, entertainment, or reference media in digital or analogue format, of every individual, but not to exceed ((~~three thousand five hundred dollars~~)) $3,500 in value, and all family pictures and keepsakes.

(c) A cell phone, personal computer, and printer.

(d) To each individual or, as to community property of spouses maintaining a single household as against a creditor of the community, to the community, provided that each spouse is entitled to his or her own exemptions in this subsection (1)(d):

(i) ((~~The individual's or community's~~)) All household goods, appliances, furniture, and home and yard equipment, not to exceed ((~~six thousand five hundred dollars~~)) $6,500 in value for the individual ((~~or thirteen thousand dollars for the community, no single item to exceed seven hundred fifty dollars~~)), said amount to include provisions and fuel for ((~~the~~)) comfortable maintenance ((~~of the individual or community~~));

(ii) In a bankruptcy case, any other personal property, except personal earnings as provided under RCW 6.15.050(1), not to exceed $10,000 in value. The value shall be determined as of the date the bankruptcy petition is filed;

(iii) Other than in a bankruptcy case as described in (d)(ii) of this subsection, other personal property, except personal earnings as provided under RCW 6.15.050(1), not to exceed ((~~three thousand dollars~~)) $3,000 in value, ((~~of which not more than one thousand five hundred dollars in value may consist of cash, and~~)) of which not more than:

(A) For all debts except private student loan debt and consumer debt, ((~~five hundred dollars~~)) $500 in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under this subsection (1)(d)((~~(ii)~~)) (iii)(A) may not exceed ((~~five hundred dollars~~)) $500, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.

(B) For all private student loan debt, ((~~two thousand five hundred dollars~~)) $2,500 in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under this subsection (1)(d)((~~(ii)~~)) (iii)(B) may not exceed ((~~two thousand five hundred dollars~~)) $2,500, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.

(C) For all consumer debt, ((~~two thousand dollars~~)) $2,000 in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under this subsection (1)(d)((~~(ii)~~)) (iii)(C) may not exceed ((~~two thousand dollars~~)) $2,000, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities;

((~~(iii) For an individual, a~~)) (iv) A motor vehicle ((~~used for personal transportation,~~)) not to exceed ((~~three thousand two hundred fifty dollars or for a community two motor vehicles used for personal transportation, not to exceed six thousand five hundred dollars~~)) $15,000 in aggregate value;

((~~(iv)~~)) (v) Any past due, current, or future child support paid or owed to the debtor, which can be traced;

((~~(v)~~)) (vi) All professionally prescribed health aids for the debtor or a dependent of the debtor; ((~~and~~

~~(vi)~~)) (vii) To any individual, the right to or proceeds of a payment not to exceed twenty thousand dollars on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the debtor or an individual of whom the debtor is a dependent; or the right to or proceeds of a payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor; and

(viii) In a bankruptcy case, the right to or proceeds of personal injury of the debtor or an individual of whom the debtor is a dependent; or the right to or proceeds of a payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a dependent are free of the enforcement of the claims of creditors, except to the extent such claims are for the satisfaction of any liens or subrogation claims arising out of the claims for personal injury or death. The exemption under this subsection (1)(d)((~~(vi)~~)) (viii) does not apply to the right of the state of Washington, or any agent or assignee of the state, as a lienholder or subrogee under RCW 43.20B.060.

(e) ((~~To each qualified individual, one of the following exemptions:~~

~~(i) To a farmer, farm trucks, farm stock, farm tools, farm equipment, supplies and seed, not to exceed ten thousand dollars in value;~~

~~(ii) To a physician, surgeon, attorney, member of the clergy, or other professional person, the individual's library, office furniture, office equipment and supplies, not to exceed ten thousand dollars in value;~~

~~(iii)~~)) To any ((~~other~~)) individual, the tools ((~~and~~)), instruments ((~~and~~)), materials, and supplies used to carry on his or her trade ((~~for the support of himself or herself or family,~~)) not to exceed ((~~ten thousand dollars~~)) $15,000 in value.

(f) Tuition units, under chapter 28B.95 RCW, purchased more than two years prior to the date of a bankruptcy filing or court judgment, and contributions to any other qualified tuition program under 26 U.S.C. Sec. 529 of the internal revenue code of 1986, as amended, and to a Coverdell education savings account, also known as an education individual retirement account, under 26 U.S.C. Sec. 530 of the internal revenue code of 1986, as amended, contributed more than two years prior to the date of a bankruptcy filing or court judgment.

(2) For purposes of this section, "value" means the reasonable market value of the debtor's interest in an article or item at the time it is selected for exemption, exclusive of all liens and encumbrances thereon.

(3) In the case of married persons, each spouse is entitled to the exemptions provided in this section, which may be combined with the other spouse's exemption in the same property or taken in different exempt property.

(4)(a) Beginning April 2026, and each April on a three-year interval thereafter, the department of revenue must adjust the applicable amounts for the following three-year interval by multiplying the current applicable amounts by one plus the percentage by which the most current consumer price index available on January 31st of the year of such April exceeds the consumer price index for the prior three-year period, and rounding the result to the nearest $25. If an adjustment under this subsection (4) would reduce the applicable amounts under this section, the department of revenue must not adjust the applicable amounts for use in the three-year interval. The department of revenue must publish the adjusted applicable amounts on its public website by April 1st of the first year of the three-year interval in which the applicable amounts are adjusted. The adjusted applicable amounts calculated under this subsection (4) take effect on April 1st of the calendar year in which they are adjusted under this subsection (4).

(b) For purposes of this subsection (4):

(i) "Applicable amounts" means each dollar amount in effect under this section.

(ii) "Consumer price index" means the consumer price index seasonally adjusted for all urban consumers, all items, for the United States as calculated by the United States bureau of labor statistics or its successor agency.

**Sec.**  RCW 51.32.040 and 2013 c 125 s 6 are each amended to read as follows:

(1) Except as provided in RCW 43.20B.720, 72.09.111, 74.20A.260, and 51.32.380, no money paid or payable under this title shall, ((~~before the issuance and delivery of the payment,~~)) be assigned, charged, or taken in execution, attached, garnished, or pass or be paid to any other person by operation of law, any form of voluntary assignment, or power of attorney. Any such assignment or charge is void unless the transfer is to a financial institution at the request of a worker or other beneficiary and made in accordance with RCW 51.32.045. Payments retain their exempt status even after issuance.

(2)(a) If any worker suffers (i) a permanent partial injury and dies from some other cause than the accident which produced the injury before he or she receives payment of the award for the permanent partial injury or (ii) any other injury before he or she receives payment of any monthly installment covering any period of time before his or her death, the amount of the permanent partial disability award or the monthly payment, or both, shall be paid to the surviving spouse or the child or children if there is no surviving spouse. If there is no surviving spouse and no child or children, the award or the amount of the monthly payment shall be paid by the department or self-insurer and distributed consistent with the terms of the decedent's will or, if the decedent dies intestate, consistent with the terms of RCW 11.04.015.

(b) If any worker suffers an injury and dies from it before he or she receives payment of any monthly installment covering time loss for any period of time before his or her death, the amount of the monthly payment shall be paid to the surviving spouse or the child or children if there is no surviving spouse. If there is no surviving spouse and no child or children, the amount of the monthly payment shall be paid by the department or self-insurer and distributed consistent with the terms of the decedent's will or, if the decedent dies intestate, consistent with the terms of RCW 11.04.015.

(c) Any application for compensation under this subsection (2) shall be filed with the department or self-insuring employer within one year of the date of death. The department or self-insurer may satisfy its responsibilities under this subsection (2) by sending any payment due in the name of the decedent and to the last known address of the decedent.

(3)(a) Any worker or beneficiary receiving benefits under this title who is subsequently confined in, or who subsequently becomes eligible for benefits under this title while confined in, any institution under conviction and sentence shall have all payments of the compensation canceled during the period of confinement. After discharge from the institution, payment of benefits due afterward shall be paid if the worker or beneficiary would, except for the provisions of this subsection (3), otherwise be entitled to them.

(b) If any prisoner is injured in the course of his or her employment while participating in a work or training release program authorized by chapter 72.65 RCW and is subject to the provisions of this title, he or she is entitled to payments under this title, subject to the requirements of chapter 72.65 RCW, unless his or her participation in the program has been canceled, or unless he or she is returned to a state correctional institution, as defined in RCW 72.65.010(3), as a result of revocation of parole or new sentence.

(c) If the confined worker has any beneficiaries during the confinement period during which benefits are canceled under (a) or (b) of this subsection, they shall be paid directly the monthly benefits which would have been paid to the worker for himself or herself and the worker's beneficiaries had the worker not been confined.

(4) Any lump sum benefits to which a worker would otherwise be entitled but for the provisions of this section shall be paid on a monthly basis to his or her beneficiaries.

NEW SECTION. **Sec.**  Section 1 of this act expires July 1, 2025.

NEW SECTION. **Sec.**  Section 2 of this act takes effect July 1, 2025.

**--- END ---**