

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1520
Judiciary

(Delegate Tomlinson, *et al.*)

Judicial Proceedings

Courts - Exemption From Judgment - Alterations and Additions

This bill (1) expands the items exempt from execution on a judgment; (2) adds certain provisions applicable only to a person who has a disability or is elderly; and (3) increases the maximum value of the debtor’s interest in certain items that is exempt from execution.

Fiscal Summary

State Effect: The bill is not anticipated to materially affect State finances.

Local Effect: The bill is not anticipated to materially affect local government finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Bill Summary:

Definitions Under the Bill

“Disability” means a physical or mental impairment that results in a substantial impediment to employment.

“Elderly” means at least 60 years of age.

Exemptions from Execution on a Judgment

Under current law, the following items, among others, are exempt from execution on a money judgment:

- the debtor's interest, up to \$1,000 in value, in certain items that are held primarily for the personal, family, or household use of the debtor or any dependent of the debtor (described in more detail below);
- money payable in the event of the sickness, accident, injury, or death of any person, including compensation for loss of future earnings – the exemption includes money payable for judgments, arbitrations, compromises, insurance benefits, compensation, and relief, but does not include disability income benefits if the judgment is for necessities contracted for after the occurrence of the disability;
- up to \$500 in a deposit account or other account of the debtor held by a depository institution, without election of the debtor, subject to specified requirements;
- up to \$6,000 of cash or property of any kind, if the debtor elects to exempt such cash or property within 30 days from the date of attachment or the levy by the sheriff, and subject to additional limitations; and
- money payable or paid according to an agreement or court order for child support.

The bill increases, from \$1,000 to \$5,000, the value of the debtor's interest in household furnishings, household goods, wearing apparel, appliances, books, animals kept as pets, and other items that are held primarily for the personal, family, or household use of the debtor or any dependent of the debtor that is exempt from execution on a judgment. For a debtor who is elderly or who has a disability, a maximum value of \$10,000 in the above items is exempt from execution on a judgment.

The bill also adds provisions to exempt:

- the debtor's interest up to \$3,000 in firearms;
- the debtor's interest, up to \$10,000 in value, in one motor vehicle necessary for practice of the debtor's occupation, trade, or enrollment in any public or private elementary, secondary, or career and technical education school or institution of higher education;
- for a debtor who is elderly or who has a disability, the debtor's interest, up to \$25,000, in one motor vehicle necessary for practice of the debtor's occupation, trade, or enrollment in any public or private elementary, secondary, or career and technical education school or institution of higher education; and
- payments under § 24 (child tax credit) and § 32 (earned income tax credit) of the Internal Revenue Code.

The aforementioned exemption does not apply to a motor vehicle used to commute to an occupation, a trade, or an educational program that is not otherwise necessary for use in the course of the occupation, trade, or educational program.

Small Business Effect: Small businesses that provide goods and services on credit and pursue post-judgment proceedings related to debt collection may be negatively impacted by the (1) additional categories of debtors with higher exemption values than current debtors for specified items; (2) additional specified items that are exempt; and (3) higher exemption values for current debtors.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Comptroller's Office; Judiciary (Administrative Office of the Courts); Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2026
jg/jkb Third Reader - March 30, 2026
Revised - Amendment(s) - March 30, 2026

Analysis by: Joanne E. Tetlow

Direct Inquiries to:
(410) 946-5510
(301) 970-5510