

# HOUSE BILL 1520

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By: **Delegate Tomlinson**

Introduced and read first time: February 13, 2026

Assigned to: Judiciary

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## A BILL ENTITLED

1 AN ACT concerning

2 **Courts – Exemption From Judgment – Alterations and Additions**

3 FOR the purpose of increasing, for certain categories of items, the amount allowed to be  
4 exempted from judgment; establishing additional categories of items that may be  
5 exempted from judgment; altering the allowable exemptions for a debtor proceeding  
6 through bankruptcy; and generally relating to allowable exemptions from judgment.

7 BY repealing and reenacting, with amendments,  
8 Article – Courts and Judicial Proceedings  
9 Section 11–504  
10 Annotated Code of Maryland  
11 (2020 Replacement Volume and 2025 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
13 That the Laws of Maryland read as follows:

14 **Article – Courts and Judicial Proceedings**

15 11–504.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) **“DISABLED” MEANS HAVING A PHYSICAL OR MENTAL DISABILITY**  
18 **THAT:**

19 (I) **MAKES AN INDIVIDUAL UNABLE TO ENGAGE IN**  
20 **SUBSTANTIAL GAINFUL EMPLOYMENT; AND**

21 (II) 1. **HAS LASTED OR CAN BE EXPECTED TO LAST AT LEAST**  
22 **12 MONTHS; OR**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.





1           **(5) THE DEBTOR'S INTEREST, NOT TO EXCEED \$3,000 IN VALUE, IN**  
2 **FIREARMS.**

3           **(6) (I) 1. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS**  
4 **PARAGRAPH AND SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH, THE DEBTOR'S**  
5 **INTEREST, NOT TO EXCEED \$10,000 IN VALUE, IN ONE MOTOR VEHICLE NECESSARY**  
6 **FOR PRACTICE OF THE DEBTOR'S OCCUPATION, TRADE, OR ENROLLMENT IN ANY**  
7 **PUBLIC OR PRIVATE ELEMENTARY, SECONDARY, OR CAREER AND TECHNICAL**  
8 **EDUCATION SCHOOL OR INSTITUTION OF HIGHER EDUCATION.**

9           **2. THIS PARAGRAPH DOES NOT APPLY TO A MOTOR**  
10 **VEHICLE USED TO COMMUTE TO AN OCCUPATION, A TRADE, OR AN EDUCATIONAL**  
11 **PROGRAM THAT IS NOT OTHERWISE NECESSARY FOR USE IN THE COURSE OF THE**  
12 **OCCUPATION, TRADE, OR EDUCATIONAL PROGRAM.**

13           **(II) FOR A DEBTOR WHO IS ELDERLY OR DISABLED, THE**  
14 **DEBTOR'S INTEREST, NOT TO EXCEED \$25,000, IN ONE MOTOR VEHICLE NECESSARY**  
15 **FOR THE PRACTICE OF THE DEBTOR'S OCCUPATION, TRADE, OR ENROLLMENT IN**  
16 **ANY PUBLIC OR PRIVATE ELEMENTARY, SECONDARY, OR CAREER AND TECHNICAL**  
17 **EDUCATION SCHOOL OR INSTITUTION OF HIGHER EDUCATION.**

18           **[(5)] (7)** Subject to subsection (c)(3) of this section, up to \$500 in a deposit  
19 account or other account of the debtor held by a depository institution, without election of  
20 the debtor.

21           **[(6)] (8)** Cash or property of any kind equivalent in value to \$6,000 is  
22 exempt, if within 30 days from the date of the attachment or the levy by the sheriff, the  
23 debtor elects to exempt cash or selected items of property in an amount not to exceed a  
24 cumulative value of \$6,000, except that the cumulative value of cash and property  
25 exempted under this item and item **[(5)] (7)** of this subsection may not exceed \$6,000.

26           **[(7)] (9)** Money payable or paid in accordance with an agreement or court  
27 order for child support.

28           **[(8)] (10)** Money payable or paid in accordance with an agreement or court  
29 order for alimony to the same extent that wages are exempt from attachment under §  
30 15-601.1(b)(1)(i) of the Commercial Law Article.

31           **[(9)] (11)** The debtor's beneficial interest in any trust property that is  
32 immune from the claims of the debtor's creditors under § 14.5-511 of the Estates and Trusts  
33 Article.

34           **[(10)] (12)** With respect to claims by a separate creditor of a husband or  
35 wife, trust property that is immune from the claims of the separate creditors of the husband  
36 or wife under § 14.5-511 of the Estates and Trusts Article.

1                   **(13) PAYMENTS UNDER § 24 OR § 32 OF THE INTERNAL REVENUE**  
2 **CODE.**

3           (c)   (1)   (i)    In order to determine whether the property listed in subsection  
4 (b)(4) and ~~[(6)] (8)~~ of this section is subject to execution, the sheriff shall appraise the  
5 property at the time of levy.

6                               (ii)   The sheriff shall return the appraisal with the writ.

7                               (iii)   An appraisal made by the sheriff under this paragraph is subject  
8 to review by the court on motion of the debtor.

9                               (iv)   Procedures will be as prescribed by rules issued by the Supreme  
10 Court of Maryland.

11           (2)   (i)    A writ of garnishment issued for a deposit account or other  
12 account held by a depository institution shall instruct the garnishee that, subject to  
13 additional exemptions, it is to garnish only the amount exceeding the amount exempted  
14 without election of the debtor.

15                               (ii)   A depository institution may not be liable to the judgment  
16 creditor for actions taken in good faith reliance on the instructions in the writ of  
17 garnishment required under this paragraph.

18           (3)   (i)    A depository institution shall, on receipt of a writ of garnishment  
19 or other levy or attachment, answer the writ of garnishment or other levy or attachment  
20 and, if the debtor maintains any deposit accounts with the depository institution, state:

21                                       1.    That the total amount does not exceed \$500; or

22                                       2.    The amount of funds in excess of \$500 that has been held  
23 pending further order of court.

24                               (ii)   For any funds in excess of \$500, the depository institution shall  
25 follow all other customary procedures for handling a writ of garnishment or other levy or  
26 attachment, including freezing of funds.

27                               (iii)   1.    If a debtor holds an interest in multiple deposit accounts  
28 at a single depository institution, the depository institution may determine how and to  
29 which account or accounts the \$500 exemption should be applied.

30                                       2.    This subparagraph does not create a cause of action  
31 against a depository institution that complies with a writ of garnishment or other levy or  
32 attachment.

33                               (iv)   The exemption under subsection ~~[(b)(5)] (B)(7)~~ of this section:

1                   1.     Applies separately to each depository institution and to  
2 each writ of garnishment directed to a depository institution; and

3                   2.     Does not preclude or reduce a debtor's rights to any other  
4 exemption provided by State or federal law.

5           (d)     The debtor may not waive, by cognovit note or otherwise, the provisions of  
6 subsections (b) and (h) of this section.

7           (e)     The exemptions in this section do not apply to wage attachments.

8           (f)     (1)    (i)     In addition to the exemptions provided in subsection (b) of this  
9 section, and in other statutes of this State, in any proceeding under Title 11 of the United  
10 States Code, entitled "Bankruptcy", any individual debtor domiciled in this State may  
11 exempt the debtor's aggregate interest in:

12                   1.     Personal property, up to \$5,000; and

13                   2.     Subject to subparagraph (ii) of this paragraph:

14                   A.     Owner-occupied residential real property, including a  
15 condominium unit, **A MOBILE HOME AS DEFINED IN § 8A-101 OF THE REAL**  
16 **PROPERTY ARTICLE**, or a manufactured home that has been converted to real property  
17 in accordance with § 8B-201 of the Real Property Article; or

18                   B.     A cooperative housing corporation that owns property that  
19 the debtor occupies as a residence.

20                   (ii)    1.     [The] **EXCEPT AS PROVIDED IN SUBSUBPARAGRAPH 2**  
21 **OF THIS SUBPARAGRAPH, THE** exemption allowed under subparagraph (i)2 of this  
22 paragraph may not exceed [the amount under 11 U.S.C. § 522(d)(1), adjusted in accordance  
23 with 11 U.S.C. § 104, subject to the provisions of paragraphs (2) and (3) of this subsection]  
24 **\$300,000 IN VALUE.**

25                   2.     **THE EXEMPTION ALLOWED UNDER SUBPARAGRAPH**  
26 **(I)2 OF THIS PARAGRAPH SHALL BE \$600,000 IN VALUE IF THE OWNER OR A**  
27 **DEPENDENT OF THE OWNER OF THE PROPERTY IS ELDERLY OR DISABLED.**

28           (2)     An individual may not claim the exemption under paragraph (1)(i)2 of  
29 this subsection on a particular property if:

30                   (i)     The individual has claimed successfully the exemption on the  
31 property within 8 years prior to the filing of the bankruptcy proceeding in which the  
32 exemption under this subsection is claimed; or

1 (ii) The individual's spouse, child, child's spouse, parent, sibling,  
2 grandparent, or grandchild has claimed successfully the exemption on the property within  
3 8 years prior to the filing of the bankruptcy proceeding in which the exemption under this  
4 subsection is claimed.

5 (3) The exemption under paragraph (1)(i)2 of this subsection may not be  
6 claimed by both a husband and wife in the same bankruptcy proceeding.

7 (g) In any bankruptcy proceeding, a debtor is not entitled to the federal  
8 exemptions provided by § 522(d) of the federal Bankruptcy Code.

9 (h) (1) In addition to the exemptions provided in subsections (b) and (f) of this  
10 section and any other provisions of law, any money or other assets payable to a participant  
11 or beneficiary from, or any interest of any participant or beneficiary in, a retirement plan  
12 qualified under § 401(a), § 403(a), § 403(b), § 408, § 408A, § 414(d), or § 414(e) of the United  
13 States Internal Revenue Code of 1986, as amended, or § 409 (as in effect prior to January  
14 1984) of the United States Internal Revenue Code of 1954, as amended, shall be exempt  
15 from any and all claims of the creditors of the beneficiary or participant, other than claims  
16 by the Maryland Department of Health.

17 (2) Paragraph (1) of this subsection does not apply to:

18 (i) An alternate payee under a qualified domestic relations order, as  
19 defined in § 414(p) of the United States Internal Revenue Code of 1986, as amended;

20 (ii) A retirement plan, qualified under § 401(a) of the United States  
21 Internal Revenue Code of 1986, as amended, as a creditor of an individual retirement  
22 account qualified under § 408 of the United States Internal Revenue Code of 1986, as  
23 amended; or

24 (iii) The assets of a bankruptcy case filed before January 1, 1988.

25 (3) The interest of an alternate payee in a plan described under paragraph  
26 (1) of this subsection shall be exempt from any and all claims of any creditor of the alternate  
27 payee, except claims by the Maryland Department of Health.

28 (4) If a contribution to a retirement plan described under paragraph (1) of  
29 this subsection exceeds the amount deductible or, in the case of contribution under § 408A  
30 of the Internal Revenue Code, the maximum contribution allowed under the applicable  
31 provisions of the United States Internal Revenue Code of 1986, as amended, the portion of  
32 that contribution that exceeds the amount deductible or, in the case of contribution under  
33 § 408A of the Internal Revenue Code, the maximum contribution allowed, and any accrued  
34 earnings on such a portion, are not exempt under paragraph (1) of this subsection.

35 (i) (1) In this subsection, "net recovery" means the sum of money to be  
36 distributed to the debtor after deduction of attorney's fees, expenses, medical bills, and

1 satisfaction of any liens or subrogation claims arising out of the claims for personal injury,  
2 including those arising under:

3 (i) The Medicare Secondary Payer Act, 42 U.S.C. § 1395y;

4 (ii) A program of the Maryland Department of Health for which a  
5 right of subrogation exists under §§ 15–120 and 15–121.1 of the Health – General Article;

6 (iii) An employee benefit plan subject to the federal Employee  
7 Retirement Income Security Act of 1974;

8 (iv) A health insurance contract; or

9 (v) A workers' compensation insurance plan.

10 (2) Twenty–five percent of the net recovery by the debtor is subject to  
11 execution on a judgment for a child support arrearage on a claim for:

12 (i) Personal injury; or

13 (ii) Workers' compensation indemnity benefits, including any weekly  
14 benefits or settlement proceeds payable to the debtor.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 2026.