

Legal Assistance Resource Center

❖ of Connecticut, Inc. ❖

80 Jefferson Street ❖ Hartford, Connecticut 06106-5050
(860) 278-5688 ❖ FAX (860) 278-2957 ❖ RPodolsky@LARCC.org

S.B. 1095 -- Execution on motor vehicles

Judiciary Committee public hearing -- February 16, 2007

Testimony of Raphael L. Podolsky

Recommended Committee action: APPROVAL OF THE BILL

In 1977, the General Assembly revised the statutes concerning what property is exempt from execution on a judgment. Among the exemptions created was an exemption of \$1,500 equity in one motor vehicle. At the time, this represented the value of a low-priced car that was about five or six years old. The dollar amount of the exemption has remained unchanged for the past 30 years. Since then, however, the Consumer Price Index (CPI) has risen by 241%. If a CPI adjustment were to be applied, the value of that exemption would now be \$5,115. That is the approximate retail NADA book value of a 2001 Ford Escort (\$4,900) or a Chevy Cavalier (\$5,100), cars which are now six years old. In contrast, the current \$1,500 exemption is presently the value of a 1990 Ford Escort (\$1,500) or a 1990 Chevy Cavalier (\$1,525) with 192,000 miles on it, i.e., an extensively driven 17-year-old car. As a practical matter, the exemption now covers the full value of very few cars.

S.B. 1095 updates the motor vehicle exemption for 30 years' worth of inflation, increasing it to \$5,000. Such an adjustment, which is long overdue, will bring the motor vehicle exemption in line with the routine updating of the state's wage exemption under C.G.S. 52-361a, which is tied to increases in the minimum wage. In 1977, the wage exemption was \$92.40 per week. Today it is \$306 per week.

A motor vehicle exemption sufficient to cover an older car preserves the ability of debtors to get to work and to medical appointments and to maintain a minimum level of mobility. As a practical matter, it helps maintain the very capacity for generating income that is necessary to pay one's bills.

S.B. 1095 does no more than restore the level of exemption which was intended by the General Assembly thirty years ago. I urge you to approve the bill.