

**Recent Changes to Washington’s Personal Property Exemption Statute,**  
**RCW § 6.15.010 (2024)**<sup>1</sup>

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**A. INTRODUCTION**

The Washington legislature historically has adjusted property exemptions approximately every two years.<sup>2</sup> The most recent adjustment was signed into law on May 9, 2023, as Senate Bill 5173. While the bill originally had a provision that would automatically adjust exemption amounts every three years, that provision was removed prior to the bill being signed into law.<sup>3</sup> The removal of the automatic adjustment provision may indicate that the Washington legislature intends to keep a close eye on the exemption amounts.

The revised exemption amounts, as well as other changes, became effective July 23, 2023. Those changes are set to expire on July 1, 2025. However, rather than reverting to the prior exemption scheme and amounts, the post-July 1, 2025, exemptions will be identical to the pre-July 1, 2025, exemptions.<sup>4</sup> Perhaps this “expiration date” is simply a place holder. As we get closer to the July 25, 2025, date it will be important to keep an eye on further actions taken by the Washington legislature.

**B. LEGISLATIVE INTENT**

The legislative history of Senate Bill 5173 identifies several reasons why the state exemption scheme was updated.<sup>5</sup> Of those reasons, three stand out as the most prominent. First, the changes are designed to provide additional protection for injured workers.<sup>6</sup> These people need additional protection because they are dealing with difficult circumstances while they are incredibly vulnerable.<sup>7</sup> Second, the new exemptions will cause less strain on married couples who file a joint bankruptcy petition.<sup>8</sup> The prior exemption scheme required married couples to work together to

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<sup>1</sup> A prior version of this article sent out to subscribers on August 9, 2024, was incorrect as to the “bankruptcy wildcard exemption” of RCW 6.15.010 (d)(ii). In addition, footnote 15 has been added to address “stacking” of exemptions.

<sup>2</sup> Prior exemptions were effective June 7, 2018, to July 27, 2019; then July 28, 2019, to July 24, 2021; then July 25, 2021, to July 22, 2023.

<sup>3</sup> 2023 Washington Senate Bill No. 5173, State of Washington - 68th Legislature - 2023 Regular Session.

<sup>4</sup> Compare RCW § 6.15.010 (2023) with RCW § 6.15.010 (effective Jul 1, 2025).

<sup>5</sup> 2023 Washington Senate Bill No. 5173, State of Washington - 68th Legislature - 2023 Regular Session.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

choose exemptions based on a pooled exemption amount.<sup>9</sup> The new exemption scheme gives each individual spouse their own exemption to allocate as they wish.<sup>10</sup> That change alleviates the potential strain of working together and places each person on equal footing.<sup>11</sup> Third, the exemption for motor vehicles was increased because of the huge increase in the value of used vehicles.<sup>12</sup> This change is important because people often need their vehicle to maintain employment and other necessities.<sup>13</sup>

### **C. CHANGES MADE TO WASHINGTON’S PERSONAL PROPERTY EXEMPTION SCHEME**

Washington’s new personal property exemption scheme differs from the prior version in several important respects. First, married couples now have more flexibility in claiming exemptions. The prior exemption scheme granted married couples who jointly filed bankruptcy an exemption amount that had to be jointly allocated. For example, joint filers could claim a \$6,500 exemption between two vehicles used for personal transportation.<sup>14</sup> If a married couple owned two vehicles with cumulative equity greater than \$6,500, they would have to decide together which vehicle to not fully exempt. Now, however, spouses do not have to split their exemptions between separate property. The new statute provides that “[i]n 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.”<sup>15</sup> This provision allows joint filers to either stack exemptions in a single piece of property or take individual exemptions in separate pieces of property. Effectively, this means that married couples have the choice to allocate exemptions jointly or individually.

Second, the new statute increases the exemption amount in several categories. The prior exemption amount for a motor vehicle was \$3,250. As mentioned previously, joint filers could claim a \$6,500 exemption between two vehicles used for personal transportation.<sup>16</sup> The new exemption scheme allows a debtor to exempt up to \$15,000 of equity in a motor vehicle in aggregate value.<sup>17</sup> Section 6.15.010(3), quoted above,

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<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> RCW § 6.15.010(1)(d)(iii) (2021) (amended 2023).

<sup>15</sup> RCW § 6.15.010(3) (2023). The “stacking” language in this provision is applicable to all exemptions provided for in the section.

<sup>16</sup> RCW § 6.15.010(1)(d)(iii) (2021) (amended 2023).

<sup>17</sup> RCW § 6.15.010(1)(d)(iv) (2023). The statute is unclear about what is meant by “aggregate value.” An argument could be made that the reference to “aggregate value” prohibits exemption stacking on a single vehicle, but such an interpretation would contradict RCW § 6.15.010(3) (2024). We believe that

allows for exemption stacking for married joint filers, potentially resulting in up to \$30,000 of equity in a single vehicle being exempted. Yet the statute does not allow the \$15,000 exemption for each individual to be split between multiple vehicles. Thus, if a married couple has more than \$15,000 in equity in one vehicle and less than \$15,000 in a second, they must decide to stack the exemptions on one vehicle or claim the exemptions separately on each vehicle.

The wild card exemption also received a substantial increase. The wild card exemption is a general exemption that may be claimed by the debtor in any property.<sup>18</sup> The prior scheme only provided a \$3,000 wild card exemption.<sup>19</sup> That exemption is now \$10,000.<sup>20</sup>

The “tools of the trade” exemption was simplified and increased. The prior scheme provided a \$10,000 exemption for instruments and materials employed in a trade. The exemption was separated into three categories: farmers, professional persons, and other individuals carrying on a trade to support himself or herself or family.<sup>21</sup> The new exemption scheme is simpler: the exemption amount is increased to \$15,000, and it may be claimed by any individual in tools, instruments, materials, and supplies used to carry on their trade.<sup>22</sup>

Finally, one of the most impactful changes to the exemption scheme is the change to proceeds from a personal bodily injury claim. The prior exemption scheme provided an applicable exemption of up to \$20,000.<sup>23</sup> Now, however, the exemption is unlimited.<sup>24</sup> Where applicable, this change can be of paramount concern to debtors considering bankruptcy.

The new statute preserved many provisions of the prior version. The exemptions for apparel, private libraries, and household goods remain the same.<sup>25</sup> Both versions also allow for an exemption of a cell phone, computer, and printer,<sup>26</sup> as well as professionally prescribed health aids,<sup>27</sup> and child support.<sup>28</sup>

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“aggregate value” may refer to the value of the car plus the value of any add-on components, such as an attached equipment rack.

<sup>18</sup> 4 Collier on Bankruptcy P 522.10 (16th 2024).

<sup>19</sup> RCW § 6.15.010(1)(d)(ii) (amended 2023).

<sup>20</sup> RCW § 6.15.010(1)(d)(ii) (2023).

<sup>21</sup> RCW § 6.15.010(1)(e) (2021) (amended 2023). There does not appear to be any reason or practical difference between the separate sections for farmers, professionals, and other individuals.

<sup>22</sup> RCW § 6.15.010(1)(e) (2023).

<sup>23</sup> RCW § 6.15.010(1)(d)(vi) (2021) (amended 2023). Note that the statute still limits the personal injury exemption to \$20,000 in non-bankruptcy contexts. RCW § 6.15.010(1)(d)(vii) (2024).

<sup>24</sup> RCW § 6.15.010(1)(d)(viii) (2023).

<sup>25</sup> Compare RCW § 6.15.010(1)(a), (b), (d)(i) (2023) with RCW § 6.15.010(1)(a), (b), (d)(1) (2021) (amended 2023).

<sup>26</sup> Compare RCW § 6.15.010(1)(c) (2023) with RCW § 6.15.010(c) (2021) (amended 2023).

<sup>27</sup> Compare RCW § 6.15.010(1)(d)(vi) (2023) with RCW § 6.15.010(1)(d)(v) (2021) (amended 2023).

<sup>28</sup> Compare RCW § 6.15.010(1)(d)(v) (2023) with RCW § 6.15.010(1)(d)(iv) (2021) (amended 2023).

## D. STATE EXEMPTIONS AND FEDERAL EXEMPTIONS COMPARED

Washington is not an opt-out state, meaning debtors filing for bankruptcy in Washington can choose between the state and federal exemption schemes.<sup>29</sup> Additionally, debtors who choose the state exemption scheme can also get the benefit of applicable federal nonbankruptcy exemptions, such as retirement benefits for veterans.<sup>30</sup> Overall, Washington's current personal property exemption scheme is a better choice for the debtor than the federal exemption scheme in most cases.

The state exemptions are significantly larger in some categories. Washington's motor vehicle exemption (\$15,000)<sup>31</sup> is larger than the federal motor vehicle exemption (\$4,450).<sup>32</sup> The state "tools of the trade" exemption (\$15,000)<sup>33</sup> is also larger than the federal counterpart (\$2,800).<sup>34</sup> Importantly, the federal statute limits the personal injury exemption to \$27,900,<sup>35</sup> while the state option makes this exemption unlimited.<sup>36</sup>

However, the federal exemption scheme may still have certain advantages. The federal wild card exemption may be greater in some cases. The baseline federal wild card exemption is \$1,475, but the debtor may additionally apply up to \$13,950 of any unused amount of the homestead exemption.<sup>37</sup> In comparison, the maximum wild card exemption under Washington's exemptions is \$10,000.<sup>38</sup> The circumstances of a particular debtor may determine whether this difference is meaningful.

Both exemption schemes allocate exemptions for household goods, apparel, jewelry, and books in different categories. The state exemption scheme allows for \$3,500 in wearing apparel, furs, and jewelry; \$3,500 for private libraries, including electronic media; and \$6,500 for household goods, appliances, furniture, and home and yard equipment. The federal statute allows for \$14,875 in aggregate value, not to exceed \$700 in value in any particular item, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, as well as \$1,875 for jewelry held primarily for personal or household use. Overall, the federal exemptions for household goods are \$16,750, while the combined state exemptions are only \$13,500.<sup>39</sup>

Practitioners should regularly check the federal exemption statute, as exemption amounts are subject to change. The federal exemption amounts are

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<sup>29</sup> 4 Collier on Bankruptcy P 522.02 (16th 2024).

<sup>30</sup> *Id.*

<sup>31</sup> RCW § 6.15.010(1)(d)(iv) (2023).

<sup>32</sup> 11 U.S.C. § 522(d)(2) (2023).

<sup>33</sup> RCW § 6.15.010(1)(e) (2023).

<sup>34</sup> 11 U.S.C. § 522(d)(6) (2023).

<sup>35</sup> 11 U.S.C. § 522(d)(11)(D) (2023).

<sup>36</sup> RCW § 6.15.010(1)(d)(viii) (2023).

<sup>37</sup> 11 U.S.C. § 522(d)(5) (2023).

<sup>38</sup> RCW § 6.15.010(1)(d)(ii) (2023).

<sup>39</sup> Compare RCW § 6.15.010(1)(a), (b), and (d)(i) (2023) with 11 U.S.C. § 522(d)(3) and (d)(4) (2023).

adjusted every three years based on the Consumer Price Index. This adjustment last occurred in 2022.<sup>40</sup> As discussed previously, the Washington exemptions do not adjust automatically but are regularly updated by the Washington legislature.

## E. CONCLUSION

Overall, Washington's personal property exemptions, under RCW 6.15.010, seem more favorable to the debtor than the federal exemption scheme. However, practitioners and pro se filers should always consider the circumstances of the particular debtor when making this choice. Further, it is important to be prepared for and aware of changes. The Washington legislature has shown its desire to regularly update the state exemption scheme based on the best interests of Washington residents. On the other hand, the federal scheme adjusts automatically. Bankruptcy practitioners should always stay up to date on both current exemption schemes. Practitioners and filers can find information about exemptions on the website for the Western District of Washington U.S. Bankruptcy Court under the Filing Without An Attorney tab (<https://www.wawb.uscourts.gov/cs-exemptions>).

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<sup>40</sup> 11 U.S.C. § 104.