



Judicial Council of California

455 Golden Gate Avenue · San Francisco, California 94102-3688
www.courts.ca.gov

CIRCULATING ORDER MEMORANDUM TO THE JUDICIAL COUNCIL

Circulating Order Number: CO-25-03

Title

Civil Practice and Procedure: Adjustments to Dollar Amounts of Exemptions and Maximum Amount of Imputed Liability of Parent or Guardian for Tort of a Minor

Rules, Forms, Standards, or Statutes Affected

Amend Cal. Rules of Court, Appendix B; revise forms EJ-156 and EJ-186

Recommended by

Judicial Council staff
James Barolo, Supervising Attorney
Legal Services

Action Requested

VOTING MEMBERS ONLY: Submit votes by responding to the transmittal email.

Please Respond By

March 21, 2025

Date of Report

March 14, 2025

Contact

Jenny Grantz, 415-865-4394
jenny.grantz@jud.ca.gov

California Rules of Court, rules 10.5(h) and 10.13(d), allow the Judicial Council to act on business between meetings, including urgent matters, by circulating order. This memorandum is not a Judicial Council meeting; circulating orders are conducted via electronic communications. Prior public notice of a proposed circulating order is not required.

Executive Summary

The Judicial Council is required by statute to periodically update certain rules and forms to reflect changes in the California Consumer Price Index. Judicial Council staff recommend revising two Judicial Council forms and amending Appendix B of the California Rules of Court to fulfill these statutory mandates.

Recommendation

Judicial Council staff recommend that the council take the following actions to make statutorily mandated updates reflecting changes to the California Consumer Price Index:

1. Amend California Rules of Court, Appendix B, effective July 1, 2025; and

2. Revise *Current Dollar Amounts of Exemptions from Enforcement of Judgments* (form EJ-156) and *Current Dollar Amounts Under Code of Civil Procedure Section 699.730(b)* (form EJ-186) effective April 1, 2025.

The proposed revised forms and amended appendix are attached at pages 5–8.

Relevant Previous Council Action

The Judicial Council adopted Appendix B of the California Rules of Court effective January 1, 1997, to implement Civil Code section 1714.1(c), which sets the maximum amount of imputed liability of a parent or guardian for a tort of a minor. The council has amended Appendix B every two years since then, as required by statute. The most recent amendment was made effective January 1, 2023.

The Judicial Council began publishing a list of the dollar amounts of certain exemptions from the enforcement of judgment in April 2004. The list was published on the California Courts website¹ until April 1, 2013, when it was replaced by newly adopted form EJ-156. The council has regularly updated form EJ-156 since then to make statutorily mandated three-year adjustments to certain exemption amounts, most recently in April 2022. The council has also regularly updated form EJ-156 to make statutorily mandated annual updates to the amount of the automatic exemption for a deposit account, most recently in July 2024.

The Judicial Council adopted form EJ-186 effective April 1, 2022, to implement a new law requiring the council to publish the dollar amounts covered by Code of Civil Procedure section 699.730(b)(7). Form EJ-186 has not been revised since then.

Analysis/Rationale

Appendix B

Under Civil Code section 1714.1(a) and (b), the parent or guardian who has custody and control of a minor is liable for any act of willful misconduct of the minor that results in injury or death to another person, injury to the property of another, or the defacement of the property of another by paint. The maximum liability for each tort under section 1714.1 is \$25,000, adjusted every two years to reflect increases in the cost of living as indicated by the California Consumer Price Index (CCPI).² On or before July 1 of each odd-numbered year, the Judicial Council is required to compute and publish the maximum liability amounts under section 1714.1(a) and (b), which it

¹ See Judicial Council of Cal., Advisory Com. Rep., *Exemptions From the Enforcement of Judgments* (Apr. 12, 2004); Judicial Council of Cal., mins. (Apr. 23, 2004), item 1, p.1, <https://courts.ca.gov/sites/default/files/courts/default/2024-10/age0404.pdf>.

² Civ. Code, § 1714.1(c).

provides in Appendix B to the California Rules of Court, along with the formula for adjusting those amounts.³

The 2024 annual average CCPI was published in February 2025,⁴ and staff recommend amending Appendix B to reflect the resulting increase in the maximum liability amounts under section 1714.1.

Form EJ-156

Code of Civil Procedure sections 703.140(b) and 704.010 et seq. exempt certain types of property from enforcement of judgment. These exemptions are limited to a specified dollar amount, and those amounts are listed in form EJ-156. Many of the exemptions listed on form EJ-156 are calculated using the CCPI and are adjusted every three years on April 1 to reflect the most recent annual average CCPI. The Judicial Council is required by law to revise form EJ-156 every three years to reflect these adjustments and to state the date of the next scheduled adjustment.⁵

Staff have calculated the adjusted dollar amounts of these exemptions effective April 1, 2025, based on the 2024 CCPI figures and using the formula attached to this report (see Attachment A). Staff recommend revising form EJ-156 to show the adjusted amounts.

Form EJ-186

Under Code of Civil Procedure section 699.730(a), a judgment debtor's principal place of residence cannot be sold to satisfy a judgment lien based on a consumer debt unless the property was used to secure the debt at the time the debt was incurred. This protection does not apply to certain types of unpaid debts. For example, under section 699.730(b)(7), this protection does not apply to a debt, other than student loan debt, if the debt is owed to a financial institution at the time of execution on the judgment lien and if the dollar amount of the debt meets certain requirements. Form EJ-186 explains section 699.730 and lists the dollar amounts of debts covered by section 699.730(b)(7).

The dollar amounts covered by section 699.730(b)(7) are adjusted every three years on April 1 to reflect the current CCPI.⁶ The Judicial Council is required by law to revise form EJ-186 every three years to reflect these adjustments and to state the date of the next scheduled adjustment.⁷

³ A copy of the letter from the Department of Finance setting out the formula for the original adjustment, which has been followed since 1997, is available as Attachment A.

⁴ Published by the California Department of Industrial Relations at www.dir.ca.gov/OPRL/CPI/PresentCCPI.PDF.

⁵ Code Civ. Proc., § 703.150(e).

⁶ *Ibid.*

⁷ *Ibid.*

Staff have calculated the adjusted dollar amounts covered by section 699.730(b)(7) effective April 1, 2025, based on the 2024 CCPI figures and using the formula attached to this report (see Attachment A). Staff recommend revising form EJ-186 to show the adjusted amounts.

Policy implications

The key policy implication is to ensure that the Judicial Council fulfills its statutory mandate to amend Appendix B and revise forms EJ-156 and EJ-186 to reflect the 2024 CCPI. These amendments and revisions are consistent with the *Strategic Plan for California's Judicial Branch*, specifically the goals of Modernization of Management and Administration (Goal III) and Quality of Justice and Service to the Public (Goal IV).

Comments

Public comments were not solicited for this proposal because the Rules Committee determined that the recommendations are within the Judicial Council's purview to adopt without circulation. (See Cal. Rules of Court, rule 10.22(d)(2).).

Alternatives considered

None.

Fiscal and Operational Impacts

The implications for this proposal for the trial courts should be minimal. The affected forms are informational only and are not filed with or completed by the courts. Likewise, Appendix B is informational only.

Attachments

1. California Rules of Court, Appendix B, at page 5
2. Forms EJ-156 and EJ-186, at pages 6–8
3. Formula for adjusting dollar amounts, at page 9
4. Attachment A: April 21, 1997, letter from Department of Finance
5. Voting instructions, at page 11
6. Vote and signature pages, at pages 12–13

Author

James Barolo
Supervising Attorney, Legal Services

Jenny Grantz
Attorney, Legal Services

Appendix B of the California Rules of Court is amended, effective July 1, 2025, to read:

Appendix B
Liability Limits of a Parent or Guardian Having Custody and Control of a Minor
for the Torts of a Minor (Civ. Code, § 1714.1)

Formula

Pursuant to Civil Code section 1714.1, the joint and several liability limit of a parent or guardian having custody and control of a minor under subdivisions (a) and (b) for each tort of the minor shall be computed and adjusted as follows:

$$\text{Adjusted limit} = \left[\frac{\text{Current CCPI} - \text{January 1, 1995, CCPI}}{\text{January 1, 1995, CCPI}} + 1 \right] \times \text{January 1, 1995, limit}$$

Definition

“CCPI” means the California Consumer Price Index, as established by the California Department of Industrial Relations.

July 1, ~~2023~~2025, calculation and adjustment

The joint and several liability of a parent or guardian having custody and control of a minor under Civil Code section 1714.1, subdivision (a) or (b), effective July 1, ~~2023~~2025, shall not exceed ~~\$52,700~~ **\$56,400** for each tort.

The calculation is as follows:

$$\text{\textit{\$52,677.23}} \text{\textit{\$56,427.56}} = \left[\frac{\text{\textit{319.224}} \text{\textit{341.951}} - 151.5}{151.5} + 1 \right] \times \$25,000$$

Under section 1714.1, subdivision (c), the adjusted limit is rounded to the nearest hundred dollars, so the dollar amount of the adjusted limit is rounded to ~~\$52,700~~ **\$56,400**.

CURRENT DOLLAR AMOUNTS OF EXEMPTIONS FROM ENFORCEMENT OF JUDGMENTS
Code of Civil Procedure sections 703.140(b) and 704.010 et seq.

EXEMPTIONS UNDER SECTION 703.140(b)

The following lists the current dollar amounts of exemptions from enforcement of judgment under Code of Civil Procedure section 703.140(b) used in a case under title 11 of the United States Code (bankruptcy).

Unless otherwise provided by statute, these amounts are effective April 1, 2025, and will be adjusted at each three-year interval ending on March 31. The amount of the adjustment to the prior amounts is based on the change in the annual California Consumer Price Index for All Urban Consumers for the most recent three-year period ending on the preceding December 31, with each adjusted amount rounded to the nearest \$25. (See Code Civ. Proc., § 703.150(e).)

<u>Code Civ. Proc., § 703.140(b)</u>	<u>Type of Property</u>	<u>Amount of Exemption</u>
(1) DRAFT 02/27/2025 NOT APPROVED BY COUNCIL	The debtor's aggregate interest in real property or personal property that the debtor or a dependent of the debtor uses as a residence, or in a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence	\$ 36,750
(2)	The debtor's interest in one or more motor vehicles	\$ 8,625
(3)	The debtor's interest in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor (value is of any particular item)	\$ 925
(4)	The debtor's aggregate interest in jewelry held primarily for the personal, family, or household use of the debtor or a dependent of the debtor	\$ 2,175
(5)	The debtor's aggregate interest, plus any unused amount of the exemption provided under paragraph (1), in any property	\$ 1,950
(6)	The debtor's aggregate interest in any implements, professional books, or tools of the trade of the debtor or the trade of a dependent of the debtor	\$ 10,950
(8)	The debtor's aggregate interest in any accrued dividend or interest under, or loan value of, any unmaturing life insurance contract owned by the debtor under which the insured is the debtor or an individual of whom the debtor is a dependent	\$ 19,625
(10)(F)	The debtor's aggregate interest in vacation credits or accrued, or unused, vacation pay, sick leave, family leave, or wages, as defined in Section 200 of the Labor Code	\$ 8,625
(11)(E)	The debtor's right to receive, or property traceable to, a payment on account of personal bodily injury of the debtor or an individual of whom the debtor is a dependent	\$ 36,750

CURRENT DOLLAR AMOUNTS OF EXEMPTIONS FROM ENFORCEMENT OF JUDGMENTS
Code of Civil Procedure sections 703.140(b) and 704.010 et seq.

EXEMPTIONS UNDER SECTION 704.010 et seq.

The following lists the current dollar amounts of exemptions from enforcement of judgment under title 9, division 2, chapter 4, article 3 (commencing with section 704.010) of the Code of Civil Procedure.

The amount of the automatic exemption for a deposit account under section 704.220(a) is effective July 1, 2024, and unless otherwise provided by statute after that date, will be adjusted annually, effective July 1, by the Department of Social Services under Welfare and Institutions Code section 11453 to reflect the minimum basic standard of care for a family of four as established by section 11452.*

Unless otherwise provided by statute, the other amounts are all effective April 1, 2025, and will be adjusted at each three-year interval, ending on March 31. The amount of the adjustment to the prior amounts is based on the change in the annual California Consumer Price Index for All Urban Consumers for the most recent three-year period ending on the preceding December 31, with each adjusted amount rounded to the nearest \$25. (See Code Civ. Proc., § 703.150(e).)

<u>Code Civ. Proc. Section</u>	<u>Type of Property</u>	<u>Amount of Exemption</u>
704.010	Motor vehicle (any combination of aggregate equity, proceeds of execution sale, and proceeds of insurance or other indemnification for loss, damage, or destruction)	\$ 8,625
704.030	Material to be applied to repair or maintenance of residence	\$ 4,400
704.040	Jewelry, heirlooms, art	\$ 10,950
704.060	Personal property used in debtor's or debtor's spouse's trade, business, or profession (amount of exemption for commercial motor vehicle not to exceed \$4,850)	\$ 10,950
704.060	Personal property used in debtor's and spouse's common trade, business, or profession (amount of exemption for commercial motor vehicle not to exceed \$9,700)	\$ 21,900
704.220	Deposit account, generally (exemption without claim; amount per judgment debtor, section 704.220(a),(e)) ¹	\$ 2,170*
704.080	Deposit account with direct payment of social security or public benefits (exemption without claim, section 704.080(b)) ²	
	• Public benefits, one depositor is designated payee	\$ 2,175
	• Social security benefits, one depositor is designated payee	\$ 4,400
	• Public benefits, two or more depositors are designated payees ³	\$ 3,250
	• Social security benefits, two or more depositors are designated payees ³	\$ 6,575
704.090	Inmate trust account	\$ 2,175
	Inmate trust account (restitution fine or order)	\$ 325 ⁴
704.100	Aggregate loan value of unmaturred life insurance policies	\$ 17,525
704.113	The aggregate interest in vacation credits or accrued, or unused, vacation pay, sick leave, or family leave	\$ 8,625

¹ This exemption does not preclude or reduce other exemptions for deposit accounts. However, if the exemption amount for the deposit account applicable under other automatic exemptions—such as those applicable for direct deposit of social security benefits or public benefits—is greater under the other exemptions, then those apply instead of this one. (Code Civ. Proc., § 704.220(b).)

² The amount of a deposit account with direct deposited funds that exceeds exemption amounts shown is also exempt to the extent it consists of payments of public benefits or social security benefits. (Code Civ. Proc., § 704.080(c).)

³ If only one joint payee is a beneficiary of the payment, the exemption is in the amount available to a single designated payee. (Code Civ. Proc., § 704.080(b)(3) and (4).)

⁴ This amount is not subject to adjustments under Code of Civil Procedure section 703.150.

CURRENT DOLLAR AMOUNTS UNDER CODE OF CIVIL PROCEDURE SECTION 699.730(b)

The following lists the dollar amounts set forth in section 699.730(b)(7) of the Code of Civil Procedure, adjusted pursuant to section 703.150.

The principal place of residence of a judgment debtor is not subject to sale under execution of a judgment lien based on a consumer debt unless the debt was secured by the property at the time it was incurred. (See Code Civ. Proc., § 699.730(a).) However, the provisions in section 699.730(a) do not apply to certain types of unpaid debts, including debts other than student loan debt, owed to a financial institution at the time of the execution of a judgment lien, if certain requirements based on dollar amounts are met. (See Code Civ. Proc. § 699.730(b)(7).)

The amounts stated here are effective April 1, 2025. Unless otherwise provided by statute after that date, they will be adjusted at each three-year interval, ending on March 31. The amount of the adjustment to the prior amounts is based on the change in the annual California Consumer Price Index for All Urban Consumers for the most recent three-year period ending on the preceding December 31, with each adjusted amount rounded to the nearest \$25. (See Code Civ. Proc., § 703.150(e).)

Section 699.730(b)(7)(A)(i)	The amount of the original judgment on which the lien is based, when entered, was greater than \$94,125
Section 699.730(b)(7)(A)(ii)	The amount owed on the outstanding judgment at the time of the execution on the judgment lien is greater than \$94,125

DRAFT
02/20/2025
NOT APPROVED
BY COUNCIL

**Calculation of Dollar Amounts Under Code of Civil Procedure
Sections 699.730, 703.140(b), and 704.010 et seq.
(Adjusted April 1, 2025)**

Code of Civil Procedure section 703.150 requires the Judicial Council to periodically adjust the dollar amounts of most of the exemptions from enforcement of judgment listed in *Current Dollar Amounts of Exemptions From Enforcement of Judgments* (form EJ-156) and the dollar amounts listed in *Current Dollar Amounts Under Code of Civil Procedure Section 699.730(b)* (form EJ-186). These adjustments must be made every three years.

Formula for adjusting exemption amounts

Under Code of Civil Procedure section 703.150(a), (b), (c), and (e), the adjustments to the dollar amount of the exemptions in sections 699.730(b), 703.140(b), and 704.010 et seq. are calculated using the current annual CCPI and the annual CCPI from three years prior.¹ “CCPI” means the California Consumer Price Index for All Urban Consumers published by the Department of Industrial Relations, Division of Labor Statistics. The calculation is made as follows:

Calculation for April 1, 2025, revisions to forms EJ-156 and EJ-186

The 2024 annual CCPI was 341.951. The 2021 annual CCPI was 297.371. The proportional amount of change is determined by performing the calculation in brackets below. The result is 1.14991.

$$\begin{array}{rcl} \text{Adjusted} & & \\ \text{dollar amount} & = & \left[\frac{341.951 - 297.371}{297.371} + 1 \right] \times \text{Previous dollar amount} \\ & = & 1.14991 \times \text{Previous dollar amount} \end{array}$$

Each affected exemption (the “previous dollar amount”) in forms EJ-156 and EJ-186 was multiplied by 1.14991 (or 14.991 percent) and then rounded to the nearest \$25. (See Code Civ. Proc., § 703.150(e).) For example, the current value of the exemption under Code of Civil Procedure section 703.140(b)(1) is \$31,950. The product of multiplying \$31,950 by 1.14991 is \$36,739.74. Rounded to the nearest \$25, the adjusted value is \$36,750.00.

¹ This formula is similar to the one employed by the Judicial Conference of the United States for calculating adjustments to the federal bankruptcy exemptions, but it uses the California Consumer Price Index instead of the federal equivalent.



Attachment A

April 21, 1997

Ms. Cara Vonk
Judicial Council of California
Administrative Office of the Courts
303 Second Street, South Tower
San Francisco, CA 94107

Dear Ms. Vonk,

The updated number calculated in accordance with Civil Code section 1714.1 subdivision c is \$25,900.00. Proper escalation procedure divides the difference of the end-of-period number and the beginning-of-period number by the beginning-of-period number. Next add one and multiply by the original number in this case \$25,000.00.

The California Consumer Price Index (CCPI) formula is established by the Department of Industrial Relations (DIR). The Department of Finance, using the DIR formula for the CCPI, calculates the January 1, 1995 CCPI as 151.5, for January 1, 1996 (154.0), and for January 1, 1997 (157.1). The calculation rests on the assumption that the figure of \$25,000.00 originates January 1, 1995 as you stated in our conversation this morning.

$$25,925.00 = \left[\frac{(157.1 - 151.5)}{151.5} + 1 \right] \times 25,000.00$$

Subdivision c requires the number to be rounded to the nearest one hundred dollars producing \$25,900.00. My phone number is (916) 322-2263 x2423; where I can be reached to answer to any questions. I have included CCPI data tables for purposes of documentation.

Sincerely

Jason Barnhart

Instructions for Review and Action by Circulating Order

Voting members

- Please reply to the email message with “I approve,” “I disapprove,” or “I abstain,” by noon on **March 21, 2025**.
- If you are unable to reply by noon on **March 21, 2025**, please do so as soon as possible thereafter.

Advisory members

The circulating order is being emailed to you for your information only. There is no need to sign or return any documents.

CIRCULATING ORDER
Judicial Council of California
Voting and Signature Pages

The Judicial Council approves the amendments to California Rules of Court, Appendix B, effective July 1, 2025, and revisions to forms EJ-156 and EJ-186, effective April 1, 2025, to reflect the 2024 California Consumer Price Index.

My vote is as follows:

☒ Approve

☐ Disapprove

☐ Abstain

_____/s/
Patricia Guerrero, Chair

_____/s/
Maria Lucy Armendariz

_____/s/
Bunmi O. Awoniyi

_____/s/
C. Todd Bottke

_____/s/
Stacy Boulware Eurie

_____/s/
Carol A. Corrigan

_____/s/
Charles S. Crompton

_____/s/
Judith K. Dulcich

_____/s/
Carin T. Fujisaki

_____/s/
Maureen F. Hallahan

_____/s/
Maria D. Hernandez

Brad R. Hill

_____/s/
Rachel W. Hill

Ash Kalra

My vote is as follows:

☒ Approve

☐ Disapprove

☐ Abstain

/s/
Ann C. Moorman

/s/
Gretchen Nelson

/s/
Ricardo R. Ocampo

/s/
Craig M. Peters

/s/
Maxwell V. Pritt

/s/
Thomas J. Umberg

/s/
Tamara L. Wood

Date: 3/26/25

Attest:

Michelle J. Curran
Administrative Director and
Secretary of the Judicial Council