

What the Fluff Happens to Pets in Bankruptcy?

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I. Introduction

Exemptions in Chapter 7 bankruptcy in Florida aim to ensure that debtors may retain their necessities and some personal belongings, while also discharging unsecured debts like credit cards and personal loans. In Florida, all debtors are entitled to a \$1,000 personal property exemption pursuant to the Florida Constitution.² Florida debtors can claim up to \$4,000 in additional statutory exemptions for personal property which cannot be subject to forced sale, also referred to as the “wildcard” exemption.³ The aptly named wildcard exemption allows individuals to claim any assortment of personal property, including anything from cash, coin collections and other odd collectibles, jewelry, as well as home furnishings.⁴ Debtors may even claim living things like dogs, cats, and other animals in their wildcard exemption.

On the other hand, Chapter 13 bankruptcy, also known as a “wage earner” bankruptcy, allows individuals with a typical income to submit a three to five year debt repayment plan.⁵ Debtors who have a mortgage may benefit most from filing for Chapter 13 as filing under this chapter allows debtors to stop foreclosure proceedings and cure delinquent payments on the mortgage.⁶ When considering a Chapter 13 plan, the court will consider a debtor’s monthly

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² FLA. CONST. art. X. § 4(a)(2).

³ FLA. STAT. § 222.25(4) (2025); FLA. CONST. art. X. § 4 (\$4,000 personal property exemption applies where a debtor does not claim a homestead exemption. Where a debtor claims a homestead exemption, the personal property exemption is limited to \$1,000).

⁴ Sherry Fowler Chancellor, *Exempt and Immune Property*, The Florida Bar (2025).

⁵ *Chapter 13 – Bankruptcy Basics*, United States Courts, <https://www.uscourts.gov/court-programs/bankruptcy/bankruptcy-basics/chapter-13-bankruptcy-basics>.

⁶ *Id.*

income reduced by the debtor's reasonably necessary expenses to calculate a debtor's disposable income.⁷ However, courts are not in consensus as to whether pet care expenses qualify as a reasonably necessary expense under Chapter 13.

Pet ownership is on a significant incline, with 66% of U.S. households, or 86.9 million homes, owning a pet.⁸ Yet, explicit guidance on how to claim an exemption for your household pet is few and far between. This article will explore the ways in which pets may or may not be exempted from forced sale in bankruptcy proceedings, and how debtors can properly protect their personal interest in their furry family members should they file for Chapter 7 or Chapter 13.

II. The Value of Pets in Bankruptcy

When assessing whether a debtor's personal property exceeds the applicable exemption limits of \$1,000 and/or \$4,000, trustees must first compute the debtor's equity in the property (*i.e.*, the fair market value of the property, minus any outstanding secured debts).⁹ Some types of personal property have an established resale market that makes it easy for trustees and courts to value property, like used cars.¹⁰ In the event that there is a highly valuable item in question, such as a rare gemstone, a trustee may hire an appraiser.¹¹ Property that does not have an identifiable resale market, however, must be valued according to what it would be worth given its current condition and age, often referred to as the "yard sale" value.¹² For example, a Restoration Hardware couch purchased in 2019 does not have a specific resale market, and thus would be

⁷ 11 U.S.C. § 1325(b)(2)(A)(i) (2022).

⁸ Michelle Megna, *Pet Ownership Statistics*, Forbes (Oct. 31, 2025), <https://www.forbes.com/advisor/pet-insurance/pet-ownership-statistics/>.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

valued as to what someone would be willing to pay for the property at a yard sale or Facebook marketplace.¹³

While most pet owners do not consider their household pets as mere personal property, the law recognizes pets as just that. In any court, pets must be viewed as personal property, categorically the same as furniture.¹⁴ With that being said, the Bankruptcy Code considers pets a generic personal property, to be listed on Schedule B.¹⁵ If the debtor wants to exempt their pet from the bankruptcy estate, they must list the pet and its value on Schedule C and deduct the value from their allotted exemption amount.¹⁶ Luckily, most pets are essentially worthless to trustees and creditors because they have no monetary value, thus they are unlikely to be subject to seizure.¹⁷ Any of the 38% of dog owners or 40% of cat owners who adopted their mixed breed pets from an animal shelter or rescue should list a value of \$0 on Schedule C.¹⁸

However, in the event a debtor has a purebred animal, like a golden retriever with a registered American Kennel Club pedigree, the pet's value will likely be in the thousands.¹⁹ Other types of purebred animals, like horses or Taylor Swift's purebred Scottish Fold cats, may be worth tens of thousands of dollars, if not more. In fact, horses with a highly sought after breed, pedigree, training, and performance can be sold for upwards of \$100,000.²⁰ Debtors will struggle to successfully claim their pets as exempt if they own an animal with a value of more

¹³ *Id.*

¹⁴ See generally Gary L. Francione, *Animals, Property and the Law* (Temple Univ. Press, 1995).

¹⁵ Elizabeth A. Hornbrook, *Barking Up the Wrong Tree: Pet Care Expenses in Bankruptcy*, Am. Bankr. Inst. J. 56 (Apr 2014).

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ Michelle Megna, *Pet Ownership Statistics*, supra note 7.

¹⁹ Elaine Waldorf Gewirtz, *What is a Breed Standard for Purebred Dogs?* Am. Kennel Club (Mar. 5, 2025), <https://www.akc.org/expert-advice/dog-breeds/purebred-dog-breed-standard/>.

²⁰ Javier Sarmiento, *Determining Thoroughbreds' Value: A Comprehensive Guide & Case Study*, JDSupra (Nov. 2, 2023), <https://www.jdsupra.com/legalnews/determining-thoroughbreds-value-a-7073468/>.

than a few thousand dollars. If a debtor cannot claim their pet under the Florida exemptions because the animal's value exceeds the exemption limit or simply puts the debtor over the limit when in addition to other personal property, a trustee may take an interest in the animal's value.²¹

Realistically, trustees will rarely, if ever, concern themselves with the care and time required to seize and sell pets of debtors because it simply is not worth the effort.²² In fact, an Ohio debtor who filed for bankruptcy four times never lost possession of his llamas, tigers, and bears (oh my!), because the animals were difficult to care for and there was no identifiable market for the sale of exotic animals in Ohio.²³ Debtors can rest easy knowing their animals generally require too much effort for trustees to seize.

However, debtors should know that pets can be responsible for the devaluation of assets. Another interesting case poses the problem of a home appraisal after being home to hundreds of rescue cats.²⁴ The debtor, serving as the director of a nonprofit cat rescue, housed as many as 150 cats and 74 litter boxes in the home at a given moment.²⁵ Though the house was deemed to be in a highly favorable housing market in Charleston, South Carolina, the damage and odor from housing over 400 cats was so significant that it resulted in a weighty devaluation of the home's total value; with the expected value being only 0.76 cents on the dollar.²⁶

²¹ Elizabeth A. Hornbrook, *Barking Up the Wrong Tree: Pet Care Expenses in Bankruptcy*, 33 Am. Bankr. Inst. J. 56 (Apr. 2014).

²² *Id.*

²³ Katy Stech, *Llamas, Tigers and Bears, Oh My!*, Wall St. J. (Feb. 1, 2012), <https://www.wsj.com/articles/BL-BANKB-17856>.

²⁴ *In re Hayes*, 657 B.R. 519 (Bankr. D.S.C. 2024).

²⁵ *Id.* at 524.

²⁶ *Id.* at 528-30.

III. Pet Expenses in Bankruptcy

Pet care expenses are most relevant to debtors filing for Chapter 13, as the court and the Chapter 13 trustee closely review expenses to determine how much the debtor can afford to pay their creditors each month. The court allows for required payments to be reduced depending on the debtor's "reasonable and necessary expenses," which includes actual expenses for care and support of elderly, chronically ill, or disabled household member or member of the debtor's immediate family who is unable to pay for such expenses themselves.²⁷ It seems unlikely that a court would find pet care expenses to be reasonable and necessary under this definition.

In fact, a Nebraska bankruptcy court denied a debtor's Chapter 13 payment plan because the debtor's monthly expenses for his dogs and horses were deemed excessive, unreasonable, and unnecessary.²⁸ The debtor owned elderly horses and dogs, for which he proposed a modest monthly expenditure of \$175 to cover food and veterinary expenses for the animals.²⁹ The Court held that this expenditure was not necessary or reasonable and determined that the debtor's obligation to his creditors outweighed his responsibility to care for his pets.³⁰ While the Court reduced the debtor's monthly expenditure for pet care, Judge Minahan, Jr., stated that the debtor's wish to continue caring for his pets was commendable and granted a monthly expenditure of \$100, which Judge Minahan, Jr. found was a sufficient and reasonable amount to allow the debtor to continue caring for his pets.³¹

On the other hand, a Maryland bankruptcy court held that the debtors' monthly expenditure of \$110 for the family dog was unsupported, and the debtors should make increased

²⁷ 11 U.S.C. § 707(b)(2)(A)(ii)(II) (2022).

²⁸ Matter of Wyant, 217 B.R. 585, 587 (Bankr. D. Neb. 1998).

²⁹ *Id.*

³⁰ *Id.*

³¹ *Id.*

payments to their creditors.³² The debtors argued that the family dog assisted in managing their son's Attention Deficit Hyperactivity Disorder (ADHD) because the child benefitted from having a playful companion, thereby justifying the allotted monthly expenditures for pet care.³³ The Court stated it was "sympathetic to the plight of the Debtors," but held that the debtors were capable of making higher payments to their creditors, despite the fact that their dog was helpful in managing their son's symptoms of ADHD.³⁴

While courts seem to have a collective sympathy for debtors who want to continue caring for their pets while filing for bankruptcy, the law does not allow for much wiggle room in the way of monthly expenditures on pet care. A monthly expenditure of \$100 for pet care appears to be well-received and supported by bankruptcy courts, however there is no guarantee that debtors filing for Chapter 13 will be granted that courtesy in every court.

IV. Conclusion

With over half of the country owning household pets, debtors should know what will happen to their four-legged family members if they file for bankruptcy. Debtors filing Chapter 7 are typically protected from the seizure of their pets unless the animal is exceptionally valuable. On the other hand, debtors filing Chapter 13 must be wary of the monthly expenditures they allot to pet care, as courts differ on what amount they deem reasonable.

³² *In re Messier*, No. 05-40146PM, 2006 WL 5003863, at 1 (Bankr. D. Md. Mar. 9, 2006).

³³ *Id.*

³⁴ *Id.* at 2.