

STAND. COM. REP. NO.

1411

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 566  
S.D. 1  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 566, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOMESTEAD EXEMPTIONS,"

begs leave to report as follows:

The purpose of this measure is to require the Legislative Reference Bureau to conduct a study to determine the appropriate amount of an increase in the homestead exemption.

Your Committee received testimony in opposition to this measure from the Hawaii Credit Union League. Your Committee received comments on this measure from the Legislative Reference Bureau and Hawaii Financial Services Association.

Your Committee finds that attachment and execution are legal remedies for satisfying money judgments. Specifically, attachment is typically the pre-trial provisional remedy of seizing property in anticipation of a favorable ruling for the party claiming to be owed money, whereas execution is the seizure and transfer or sale of money to satisfy a money judgment.

Your Committee further finds that statutory homestead exemptions protect a certain amount of value in a debtor's home from attachment and execution, including in bankruptcy

2021-2732 SB566 HD2 HSCR HMSO



proceedings. Under existing law, the homestead exemption amounts are \$30,000, if the debtor is either the head of a family or 65 years of age or older, or \$20,000 for all other persons. However, these amounts have not been adjusted since 1978. Your Committee notes that \$1 in 1978 had an equivalent buying power of more than \$4 in 2020.

Your Committee additionally finds that the economic impact of the COVID-19 pandemic has been substantial on the State. The percentage of persons in the State who are not current on their mortgage loans more than doubled from 2019 to 2020. Furthermore, nearly half of the households in Hawaii have reported a decline in income due to the COVID-19 pandemic.

This measure will provide policymakers with the information necessary to make an informed decision on whether the homestead exemption should be increased and, if so, the appropriate amount of the increase.

Your Committee has amended this measure by:

- (1) Clarifying that the Legislative Reference Bureau may solicit input from any individual or entity the Legislative Reference Bureau believes necessary to complete the study; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 566, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 566, S.D. 1, H.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,

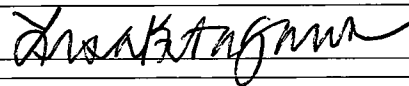


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AARON LONG JOHANSON, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 566 SDI HD1	Committee Referral: HSG, CPC, FIN	Date: 3/23/21		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	11	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				