

STAND. COM. REP. NO. 597

Honolulu, Hawaii

FEB 22 2021

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 566 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the homestead exemption for all persons to \$2,000,000; and
- (2) Require that the exempted real property be the principal residence.

Your Committee received testimony in support of this measure from the Maui Brewing Co. and two individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Bankers Association and Hawaii Financial Services Association. Your Committee received comments on this measure from the Collection Law Section of the Hawaii State Bar Association.

Your Committee finds that the coronavirus disease 2019 (COVID-19) pandemic and the governmental responses to contain the spread of COVID-19 have precipitated an economic contraction on global, national, and local levels. Your Committee further finds that this contraction has dramatically increased the unemployed population in Hawai'i and resulted in a decline in income for



almost half of the households in the State. Your Committee additionally finds that the percentage of persons who are not current on their mortgage loans more than doubled from 2019 to 2020. Your Committee also finds that, since the amount of the homestead exemption has not been adjusted since 1978, increasing it to better reflect the effects of inflation and the economic impacts of the pandemic will benefit homeowners in the State.

Your Committee has amended this measure by:

- (1) Changing the exemption amount from \$2,000,000 to \$350,000; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 566, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 566, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:* SB566	Committee Referral: JDC	Date: 2/10/21		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
KEOHOKALOLE, Jarrett (VC)	✓			
ACASIO, Laura		✓		
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
LEE, Chris				✓
FEVELLA, Kurt		✓		
TOTAL	4	2	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Karl Rhoads</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes