

STAND. COM. REP. NO. **609**

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 1121

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 1121 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 require the Legislative Reference Bureau to conduct a study to determine an appropriate increase to the homestead exemption in bankruptcy proceedings.

Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that statutory homestead exemptions protect a certain amount of value in a debtor's home from attachment and execution, including in bankruptcy proceedings. Under existing law, the homestead exemption amounts have not been adjusted for over forty-five years. This measure would 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.

Although your Committee was presented with various scenarios by the Legislative Reference Bureau to consider regarding adjustments to the homesteader exemption amount, your Committee is confident that it is best to conduct a study. Your Committee was



made aware that there was a drafting defect in this measure. When the measure was initially created, it was intended that the Real Property and Financial Services Section of Hawaii State Bar Association would conduct the study.

Accordingly, your Committee has amended this measure by:

- (1) Requiring that Real Property and Financial Services Section of the Hawaii State Bar Association conduct the homestead exemption study instead of the Legislative Reference Bureau; and
- (2) Inserting an effective date of July 1, 2112, to encourage further discussion.

Your Committee requests that your Committee on Ways and Means, should they choose to review this measure, consider allocating funds for the study to be conducted.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1121, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1121, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



ANGUS L.K. MCKELVEY, Chair



