

ACT 37

S.B. NO. 484

A Bill for an Act Relating to Personal Property.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the exemption from attachment and execution allowed for a debtor's motor vehicle is set by statute at \$1,000. Typically, this means that a debtor facing attachment and execution because of bankruptcy may keep his or her motor vehicle if the vehicle is valued at \$1,000 or less. Since the average price of a vehicle is more than \$1,000, a debtor's car is usually auctioned to pay-off creditors except for the exempted \$1,000. Ironically, the debtor is left without transportation at the very time when the use of a vehicle for employment purposes is of critical importance. The purpose of this Act is to rectify this problem by increasing the exemption from attachment and execution for motor vehicles from \$1,000 to \$2,575. The proposed amount would also match the exemption provided by federal law.

SECTION 2. Section 651-121, Hawaii Revised Statutes, is amended to read as follows:

**“§651-121 Certain personal property and insurance thereon, exempt.** The following described personal property of an individual up to the value set forth shall be exempt from attachment and execution as follows:

- (1) All necessary household furnishings and appliances, books and wearing apparel, ordinarily and reasonably necessary to, and personally used by a debtor or the debtor's family residing with the debtor; and, in addition thereto, jewelry, watches, and items of personal adornment up to an aggregate cash value not exceeding \$1,000.
- (2) One motor vehicle up to a value of [\$1,000] \$2,575 over and above all liens and encumbrances on the motor vehicle; provided that the value of the motor vehicle shall be measured by established wholesale used car prices customarily found in guides used by Hawaii motor vehicle dealers; or, if not listed in such guides, fair wholesale market value, with necessary adjustment for condition.
- (3) Any combination of the following: tools, implements, instruments, uniforms, furnishings, books, equipment, one commercial fishing boat and nets, one motor vehicle, and other personal property ordinarily and reasonably necessary to and personally owned and used by the debtor in the exercise of the debtor's trade, business, calling, or profession by which the debtor earns the debtor's livelihood.
- (4) One parcel of land, not exceeding two hundred fifty square feet in size, niche or interment space owned, used, or occupied by any person, or by any person jointly with any other person or persons, in any graveyard, cemetery, or other place for the sole purpose of burying the dead, together with the railing or fencing enclosing the same, and all grave-stones, tombstones, monuments, and other appropriate improvements thereon erected.
- (5) The proceeds of insurance on, and the proceeds of the sale of, the property in this section mentioned, for the period of six months from the date the proceeds are received.
- (6) The wages, salaries, commissions, and all other compensation for personal services due to the debtor for services rendered during the thirty-one days before the date of the proceeding.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 26, 1999.)