

SENATE BILL REPORT

SB 5068

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, FEBRUARY 4, 1993

Brief Description: Changing the homestead exemption.

SPONSORS: Senators A. Smith, McCaslin, Nelson, Erwin, Vognild and Roach

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5068 be substituted therefor, and the substitute bill do pass.

Signed by Senators A. Smith, Chairman; Quigley, Vice Chairman; Hargrove, McCaslin, Nelson, Niemi, and Spanel.

Staff: Alan Caplan (786-7465)

Hearing Dates: January 19, 1993; February 4, 1993

BACKGROUND:

A creditor who obtains a judgment against a delinquent debtor often can force the debtor to sell property to repay his or her obligations.

The "homestead exemption" protects from forced sale the house or mobile home where the debtor resides or intends to reside, along with appurtenant buildings and related land. The exemption generally is limited to the lesser of (i) \$30,000 and (ii) the value of the lands, mobile home and improvements.

Because some Washington citizens reside on their boats or in their cars or vans, it has been recommended that the homestead exemption's scope be expanded to include any personal or real property that the owner uses as a residence.

SUMMARY:

The definition of "homestead" is expanded to include any real or personal property that the owner uses as a residence. The homestead exemption may not be asserted against certain liens arising in connection with the property claimed as a homestead.

EFFECT OF PROPOSED SUBSTITUTE:

The homestead exemption in personal property applies only to property where the debtor actually resides. The amount of the homestead exemption in personal property is limited to the lesser of (1) the net value of the personal property claimed as a homestead; and (2) \$15,000.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

People who live on boats or in cars or motor homes should be entitled to a homestead exemption.

TESTIMONY AGAINST:

The monetary limit for homestead exemptions in personal property should be less than the limit for homestead exemptions in real property.

TESTIFIED: Susan Stanley, Washington State Bar Association (pro);
Lew McMurrin, Household International