
Judiciary Committee

HB 1805

Title: An act relating to increasing the homestead exemption amount.

Brief Description: Increasing the homestead exemption amount.

Sponsors: Representatives Morrell, Lantz, Linville, Wallace, Rodne, Conway, Kessler, Hudgins, Hunt, Chase, Hasegawa, VanDeWege, Campbell, Ericks, Green, Simpson and Schual-Berke.

Brief Summary of Bill

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| <ul style="list-style-type: none">Increases the value of the real property homestead exemption limit to \$125,000. |
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Hearing Date: 2/9/07

Staff: Edie Adams (786-7180).

Background:

Certain property of a debtor is protected by the homestead exemption. The homestead exemption protects a debtor's equity in the real or personal property that the debtor uses or plans to use as a residence. The exemption is limited to the lesser of: (1) \$40,000 if the homestead consists of real property or \$15,000 if the homestead consists of personal property; or (2) the total net value of the homestead property. Net value is defined as the market value of the property less all liens and encumbrances that are senior to the judgment being executed upon.

The homestead exemption is not available against an execution or forced sale to satisfy certain kinds of judgments, including judgments on mortgages or deeds of trust on the property; construction liens, laborer's liens, and other liens arising out of and against the particular property; child support or spousal maintenance obligations; debts owed to the state for the recovery of medical assistance costs; or condominium or homeowners' association liens.

The current homestead exemption amount of \$40,000 for real property has been in effect since 1999, when the amount was increased from \$30,000. The availability of a homestead in personal property was established in 1993 at an amount of \$15,000 and has not been changed since. The amount of the real property homestead exemption has changed over time as follows:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

<u>Year</u>	<u>Amount</u>
1881	\$1,000
1895	\$2,000
1945	\$4,000
1955	\$6,000
1971	\$10,000
1977	\$20,000
1983	\$25,000
1987	\$30,000
1999	\$40,000

Summary of Bill:

The value of the real property homestead exemption limit is increased to \$125,000.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.