AB-1885 Debtor exemptions: homestead exemption.   (2019-2020)

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Assembly Bill No. 1885

CHAPTER 94

An act to amend Section 704.730 of the Code of Civil Procedure, relating to enforcement of judgments.

[Approved by Governor September 18, 2020. Filed with Secretary of State September 18, 2020.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1885, Committee on Budget. Debtor exemptions: homestead exemption.

Existing law provides that a specified portion of equity in a homestead, as defined, is exempt from execution to satisfy a judgment debt and prescribes that the amount of the homestead exemption is either $75,000, $100,000, or $175,000, depending on certain characteristics of the homestead's residents.

This bill would instead make the homestead exemption the greater of $300,000 or the countywide median sale price of a single-family home in the calendar year prior to the calendar year in which the judgment debtor claims the exemption, not to exceed $600,000. These amounts would adjust annually for inflation.

Vote: majority   Appropriation: no   Fiscal Committee: no   Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 704.730 of the Code of Civil Procedure is amended to read:

704.730. (a) The amount of the homestead exemption is the greater of the following:

(1) The countywide median sale price for a single-family home in the calendar year prior to the calendar year in which the judgment debtor claims the exemption, not to exceed six hundred thousand dollars ($600,000).

(2) Three hundred thousand dollars ($300,000).

(b) The amounts specified in this section shall adjust annually for inflation, beginning on January 1, 2022, based on the change in the annual California Consumer Price Index for All Urban Consumers for the prior fiscal year, published by the Department of Industrial Relations.