STAND. COM. REP. NO. 2217

Honolulu, Hawaii

## FEB 1 0 2022

RE: S.B. No. 3323 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Human Services, to which was referred S.B. No. 3323 entitled:

"A BILL FOR AN ACT RELATING TO ATTACHMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the amount of interest in real property that is exempt from attachment and execution to \$100,000 from the existing amount of \$30,000 for heads of households and individuals sixty-five years of age or older and \$20,000 for all other persons;
- (2) Amend the value of personal property that is exempt from attachment and execution, including:
  - (A) Amending the exemption amount from \$1,000 to fair market value for necessary household furnishings and appliances, books, clothes, jewelry, watches, and items of personal adornment used by the debtor or debtor's family; and
  - (B) Increasing the exemption amount from \$2,575 to \$15,000 for a motor vehicle; and

(3) Exempt from attachment or execution, an amount equal to one month of child support and one month of spousal support in the possession of a debtor who is the recipient of the support payment.

Your Committee received testimony in support of this measure from Hawaii Health & Harm Reduction Center; Neighborhood Place of Puna, Habitat for Humanity Hawaii Island, Inc.; Hawaii Debt Solutions; Hope Services Hawaii; and two individuals. Your Committee received testimony in opposition to this measure from Hawaii Financial Services Association; Mortgage Bankers Association of Hawaii, Hawaii Credit Union League, and the Collection Law Section of the Hawaii State Bar Association.

Your Committee finds that state laws exempting real and personal property from attachment and execution have not been updated since 1978 and 1999, respectively, despite the significant increase in housing prices and inflation. Your Committee also finds that existing law does not provide protection for amounts of child and spousal support received by the debtor. This measure increases the asset protection for real and personal property and creates an exemption for child and spousal support, which will allow workers and families who are facing short-term economic hardship to retain assets that are essential to their livelihood and regain financial stability.

Your Committee has amended this measure by:

- (1) Clarifying that the exemption for real property applies to the debtor's equity interest in the property; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3323, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3323, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committee on Human Services,

BUENAVENTURA, Chair

## The Senate Thirty-First Legislature State of Hawai'i

## Record of Votes Committee on Human Services HMS

Bill / Resolution No.:*	Committee Referral:			Date:	
SB 3323	HMS, JDC			02/03/	2022
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR	) Nay	Excused
SAN BUENAVENTURA, Joy A. (C)		V		1	
IHARA, Jr., Les (VC)		V			
ACASIO, Laura		V			
MISALUCHA, Bennette E.		V			
FEVELLA, Kurt					V
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TOTAL		4	0	0	1
Recommendation:		/			/
Adopted			Not Adopted		
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					ee File Copy

<sup>\*</sup>Only one measure per Record of Votes