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MR. MARTIN HOSHINO
*Administrative Director,
Judicial Council*

April 2, 2019

Ms. Diane F. Boyer-Vine
Legislative Counsel
State Capitol, Room 3021
Sacramento, California 95814

Ms. Erika Contreras
Secretary of the Senate
State Capitol, Room 400
Sacramento, California 95814

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California 95814

*Re: Report on Potential Adjustments of Dollar Amounts of Homestead
Exemptions, as required under Code of Civil Procedure section
703.150(c)*

Dear Ms. Boyer-Vine, Ms. Contreras, and Mr. Wilson:

The Judicial Council respectfully submits this report on potential adjustments to the dollar amounts of certain exemptions from enforcement of judgments, as required by Code of Civil Procedure section 703.150(c). That statute provides that at three-year intervals beginning on April 1, 2013, the Judicial Council shall submit to the Legislature the amount by which the dollar amounts of the homestead exemptions in effect immediately before that date as provided in section 704.730(a) may be increased under the formula set forth in section 703.150(d), should the Legislature approve such an adjustment.

Section 703.150(d) provides that the Judicial Council is to determine the amount of the potential adjustment based on the change in the annual California Consumer Price Index for All Urban Consumers (CCPI), published by the Department of Industrial Relations, for the most recent three-year period ending on December 31 preceding the adjustment date, with each adjusted amount rounded to the nearest \$25. The council has calculated that the adjusted amounts based on the formula attached to this report would be as follows:

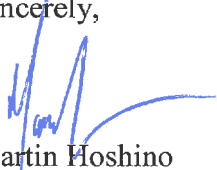
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- The exemption amount in section 704.730(a)(1) (currently \$75,000) would be increased to \$81,900.
- The exemption amount in section 704.730(a)(2) (currently \$100,000) would be increased to \$109,200.
- The exemption amount in section 704.730(a)(3) (currently \$175,000) would be increased to \$191,100.

As a point of information: while this letter reports the potential adjustment based on the change in CCPI over the past three years as mandated by statute, the homestead exemption amounts were last revised in 2010, nine years ago. The CCPI increased by 9.2 percent over the past three years, as is reflected in the figures above. It has increased 21.6 percent in the period since 2010.

If you have any questions related to this report, please contact Deborah Brown, Chief Counsel, at 415-865-7667, deborah.brown@jud.ca.gov.

Sincerely,



Martin Hoshino
Administrative Director
Judicial Council of California

MH/AMR
Attachment

cc: Members of the Judicial Council
Eric Dang, Policy Consultant, Office of Senate President pro Tempore Toni G. Atkins
Amy Alley, Policy Advisor, Office of Senate President pro Tempore Toni G. Atkins
Alf Brandt, Senior Counsel, Office of Assembly Speaker Anthony Rendon
Gabrielle Zeps, Policy Consultant, Office of Assembly Speaker Anthony Rendon
Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
Tina McGee, Executive Secretary, Legislative Analyst's Office
Margie Estrada, Chief Counsel, Senate Judiciary Committee
Scott Seekatz, Consultant, Senate Republican Policy Office
Alison Merrilees, Chief Counsel, Assembly Judiciary Committee
Paul Dress, Consultant, Assembly Republican Office of Policy & Budget
Amy Leach, Minute Clerk, Office of Assembly Chief Clerk
Cory T. Jasperson, Director, Governmental Affairs, Judicial Council
Peter Allen, Director, Public Affairs, Judicial Council
Deborah Brown, Chief Counsel, Judicial Council Legal Services
Yvette Casillas-Sarcos, Administrative Coordinator, Governmental Affairs, Judicial Council

ATTACHMENT

**Calculation of Dollar Amounts of Exemptions
Under Code of Civil Procedure Sections 703.140(b) and 704.010 et seq.
(Adjusted April 1, 2019)**

The possible adjustments to the current dollar amounts of the exemptions provided in Code of Civil Procedure sections 703.140(b) and 704.010 et seq., in the *Current Dollar Amounts of Exemptions From Enforcement of Judgments*, are calculated as follows:

Formula

Under Code of Civil Procedure section 703.150(a), (b), and (d), the adjustments to the dollar amount of the exemptions in sections 703.140(b) and 704.010 et seq. are calculated as follows:

$$\text{Adjusted penalty amount} = \left[\frac{\text{annual CCPI (Dec. 2018)} - \text{annual CCPI (Dec. 2013)}}{\text{annual CCPI (Dec. 2013)}} + 1 \right] \times \text{Previous dollar amount}$$

This is similar to the method of calculation employed by the Judicial Conference of the United States in calculating adjustments to the federal bankruptcy exemptions, but it uses the California Consumer Price Index instead of the federal equivalent.

Definition

“CCPI” means the California Consumer Price Index for All Urban Consumers published by the Department of Industrial Relations, Division of Labor Statistics.

Calculation (as of April 1, 2019)

The calculation for the adjusted dollar amounts of the exemptions in Code of Civil Procedure sections 703.140(b) and 704.010 et seq. is based on the following formula:

$$\text{Adjusted dollar amount} = \left[\frac{272.51 - 249.666}{249.666} + 1 \right] \times \text{Previous dollar amount} = 1.092 \times \text{Previous dollar amount}$$

The calculation of the dollar amounts of each of the individual exemptions is calculated by multiplying the amounts of the individual exemptions by 1.0483 with each adjusted amount rounded to the nearest \$25. (See Code Civ. Proc., § 703.150(d).)