



Judicial Council of California

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HON. STEVEN JAHR
Administrative Director of the Courts

March 29, 2013

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Legislative Counsel
State of California
State Capitol, Room 3021
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Mr. Gregory P. Schmidt
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
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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, Mr. Schmidt, 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 on April 1, 2013, and at each three-year interval thereafter, the Judicial Council shall submit to the Legislature the amount by which the dollar amounts of the current homestead exemptions provided in Code of Civil Procedure section 704.730(a) may be increased under the formula set forth in section 703.150(d), should the Legislature approve such an adjustment.

Code of Civil Procedure 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

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Consumers, published by the Department of Industrial Relations, for the most recent three-year period ending on December 31 preceding the adjustment, with each adjusted amount rounded to the nearest twenty-five dollars (\$25). The council has calculated that the adjusted amounts based on the formula attached to this report would be as follows:

- The exemption amount in section 704.730(a)(1) (currently \$75,000) would be increased to \$79,700.
- The exemption amount in section 704.730(a)(2) (currently \$100,000) would be increased to \$106,275.
- The exemption amount in section 704.730(a)(3) (currently \$175,000) would be increased to \$185,975.

If you have any questions related to this report, please contact Mary M. Roberts, Chief Counsel, at 415-865-7803, mary.roberts@jud.ca.gov.

Very truly yours,



Steven Jahr
Administrative Director of the Courts

SJ/AMR/ec
Attachment

cc: Drew Liebert, Chief Counsel, Assembly Judiciary Committee
Benjamin Palmer, Chief Counsel, Senate Judiciary Committee
Cory Jaspersen, Director, Administrative Office of the Courts (AOC) Office of
Governmental Affairs
Mary M. Roberts, Chief Counsel, AOC Legal Services Office

**Calculation of Dollar Amounts of Potential Exemptions
Under Code of Civil Procedure Section 704.730(a)
(April 1, 2013)**

The possible adjustments to the current dollar amounts of the exemptions provided in Code of Civil Procedure section 704.730(a) are calculated as follows:

1. Formula

Under Code of Civil Procedure section 703.150(c)–(d), the potential adjustments to the dollar amount of the exemptions in section 704.030(a) would be computed as follows:

$$\text{Adjusted dollar amount} = \left[\frac{\text{annual CCPI (Dec. 2012)} - \text{annual CCPI (Dec. 2009)}}{\text{annual CCPI (Dec. 2009)}} + 1 \right] \times \text{Previous dollar amount}$$

2. Definition

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

3. Current Calculation (as of April 1, 2013)

The calculation for the adjusted dollar amounts of the exemptions in section 704.730(a) is based on the following formula:

$$\text{Adjusted dollar amount} = \left[\frac{238.155 - 224.110}{224.110} + 1 \right] \times \text{Previous dollar amount} = 1.0627 \times \text{Previous dollar amount}$$

The calculation of the dollar amounts of each of the individual exemptions is calculated by multiplying the amounts of the individual exemptions by 1.0627 with each adjusted amount rounded to the nearest \$25. (See Code Civ. Proc., § 703.150(d).)



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Report Summary

Report title: *Report on Potential Adjustments of Dollar Amounts of Homestead Exemptions*

Code section: Code of Civil Procedure section 703.150(c)

Date of report: March 29, 2013

The Judicial Council has submitted a report to the Legislature in accordance with Code of Civil Procedure section 703.150(c).

The following summary of the report is provided under the requirements of Government Code section 9795.

The report describes potential adjustments to the dollar amounts of homestead exemptions in Code of Civil Procedure section 704.730(a).

The full report can be accessed here: <http://www.courts.ca.gov/7466.htm>

A printed copy of the report may be obtained by calling 415-865-7446.