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MR. MARTIN HOSHINO
*Administrative Director,
Judicial Council*

March 30, 2016

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

Mr. Daniel Alvarez
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, Mr. Alvarez, 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 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

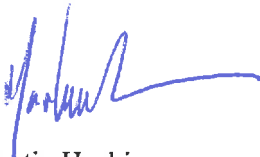
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the change in the annual California Consumer Price Index for All Urban Consumers, published by the Department of Industrial Relations, for the most recent three-year period ending on December 31 preceding the adjustment date, with each adjusted amount rounded to the nearest 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 \$78,625.
- The exemption amount in section 704.730(a)(2) (currently \$100,000) would be increased to \$104,825.
- The exemption amount in section 704.730(a)(3) (currently \$175,000) would be increased to \$183,450.

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

Sincerely,



Martin Hoshino
Administrative Director
Judicial Council

MH/AMR
Attachment

cc: Shaun Naidu, Principal Consultant, Office of Senate President pro Tempore Kevin de León
Margie Estrada, Chief Counsel, Senate Judiciary Committee
Alf Brandt, Senior Counsel, Office of Assembly Speaker Anthony Rendon
Anita Lee, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
Tina McGee, Executive Secretary, Legislative Analyst's Office
Mike Petersen, Consultant, Senate Republican Policy Office
Alison Merrilees, Chief Counsel, Assembly Judiciary Committee

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Paul Dress, Consultant, Assembly Republican Office of Policy & Budget

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Peter Allen, Public Affairs Officer, Public Affairs, Judicial Council

Yvette Casillas-Sarcos, Administrative Coordinator, Governmental Affairs, Judicial
Council

Calculation of Dollar Amounts of Exemptions

Under Code of Civil Procedure Sections 704.730(a) (April 1, 2016)

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 adjustments to the dollar amount of the exemptions in sections 704.730(a) would be computed as follows:

$$\text{Adjusted dollar amount} = \left[\frac{\text{annual CCPI (Dec. 2015)} - \text{annual CCPI (Dec. 2012)}}{\text{annual CCPI (Dec. 2012)}} + 1 \right] \times \text{Previous dollar amount}$$

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, 2016)

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

$$\text{Adjusted dollar amount} = \left[\frac{249.666 - 238.155}{238.155} + 1 \right] \times \text{Previous dollar amount} = 1.0483 \times \text{Previous dollar amount}$$

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).)