

**Oregon State Bar**  
**Legislative Proposal Summary**

**RE: Amendments to ORS 18.345 to increase homestead and automobile exemptions.**

**FROM: OSB Consumer Law Section**

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This bill would amend ORS 18.345 and ORS 18.395. ORS 18.345 is the statute which provides personal property exemptions to execution on a judgment. These exemptions also reflect the property that is exempt in a chapter 7 bankruptcy filed in Oregon. ORS 18.395 provides the homestead exemption.

The bill would amend ORS 18.345(1) as follows:

- (d) A vehicle to the value of ~~\$1,700~~ **\$3000**. As used in this paragraph “vehicle” includes an automobile, truck, trailer, truck and trailer or other motor vehicle.

The bill would amend ORS 18.395 as follows:

- (1) A homestead shall be exempt from sale on execution, from the lien of every judgment and from liability in any form for the debts of the owner to the amount in value of ~~\$25,000~~ **\$50,000**, except as otherwise provided by law. The exemption shall be effective without the necessity of a claim thereof by the judgment debtor. When two or more members of a household are debtors whose interests in the homestead are subject to sale on execution, the lien of a judgment or liability in any form, their combined exemptions under this section shall not exceed ~~\$33,000~~ **\$75,000**. .....

**1. PROBLEM PRESENTED**

The exemptions for a motor vehicle and a homestead are too low and have not been increased to reflect cost of living increases. The exemptions are intended to insure that Oregonians are able to keep property which is necessary to maintain a minimal standard of living. The United States Trustee for the Bankruptcy Court for the District of Oregon has requested that the motor vehicle exemption be increased.

In 1981 the exemption for a motor vehicle was \$1200. In twenty three years the exemption has increase exactly \$500 to the current level of \$1700. In 1981 the exemption for a homestead was \$15,000. In twenty three years the exemption has increased only \$10,000 to the current level of \$25,000.

## **2. SOLUTION**

Increase the exemptions for a motor vehicle and the homestead to more accurately reflect the increases in cost of living.

## **3. PUBLIC POLICY IMPLICATION**

The exemption increases would reflect a public policy that Oregonians are entitled to property necessary for a minimal standard of living.