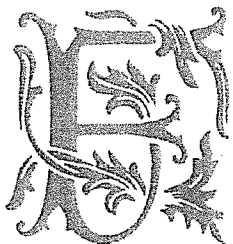


SB88#8



## Fransen Law Office

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January 10, 2025

Sen. Tom Pischke  
Dell Rapids, SD  
tom.pischke@sdlegislature.gov

Re: SDCL § 43-45-3 and SDCL § 43-31-1. Homestead Exemption Limits in South Dakota

Dear Members of the 2025 Session of the South Dakota Legislature:

I have been a bankruptcy attorney in South Dakota since 1996. South Dakota is one of the states where state exemption statutes are used to determine what personal property and homestead property a person can keep in a bankruptcy case. Inflation, personal debt loads, and increased housing values are causing problems for South Dakota residents. These problems are beginning to threaten home ownership for some in South Dakota. The purpose of this letter is to encourage you to sponsor a bill that would increase the limit for a homestead exemption in South Dakota, to allow homeowners a better chance to keep their homes during financially troubling times. That homestead exemption is detailed as follows:

South Dakota Codified Laws statute SDCL § 43-45-3 is one of the homestead exemption statutes for the state. The homestead exemption allows a homeowner to protect their home from creditors, and from the bankruptcy trustee, up to a value or equity of \$60,000.00. The homestead exemption limit in SDCL § 43-45-3 was last increased to the current limit of \$60,000.00 in SL 2009, Ch. 224. However, this limit is now obsolete, causing some problems for South Dakota homeowners, and needs to be increased. This Bill proposes to increase that homestead exemption limit from \$60,000.00 to \$100,000.00. This increase would better protect homeownership in South Dakota.

An additional homestead exemption statute is listed as SDCL § 43-31-1. This statute increases the homestead exemption limit to \$170,000.00 when the homeowner reaches age 70. It is my experience that the limit in this statute is still sufficient and does not need to be increased at this time. Exemption limits for personal property are also sufficient at this time and do not need to be addressed.

Sincerely,

  
David J. Fransen

*"This office does not carry professional liability insurance."*