

**SENATE BILL REPORT**

**SB 5064**

**AS OF JANUARY 15, 1993**

**Brief Description:** Enforcing judgments by garnishment.

**SPONSORS:** Senator A. Smith

**SENATE COMMITTEE ON LAW & JUSTICE**

**Staff:** Tom Fender (786-7414)

**Hearing Dates:** January 19, 1993

**BACKGROUND:**

Garnishment is a procedure whereby a judgment creditor seeks to subject their claim against property or money held by a third party. The most common garnishees are employers and banks holding funds of the judgment debtor.

Based upon the reports of the Washington State Bar Section on Creditor-Debtor actions it has been reported that certain courts have had difficulty in interpreting the "amounts required by law to be withheld" sections of current law defining disposable earnings. Child support debts are given priority over nonsupport debts. Further, there have been difficulties in addressing how exemptions are to be calculated in the event the employee is paid bonuses or commissions. Finally, financial institutions report high administrative costs in the handling of small amounts of funds that would be subject to garnishment.

**SUMMARY:**

The priority of child support orders is clarified by removing them from the definition of disposable earnings. A comparable calculation in weeks of earning is set forth for bonus and commission income. Financial institutions are relieved of the duty to hold accounts of less than \$100 that are subject to garnishment actions.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested