

HOUSE BILL REPORT

SB 6360

As Reported By House Committee On:

Law & Justice

Title: An act relating to processing fees for writs of garnishments that are not writs for continuing lien on earnings.

Brief Description: Prescribing garnishee's processing fees.

Sponsors: Senators Johnson and Kline.

Brief History:

Committee Activity:

Law & Justice: 2/26/98 [DP].

HOUSE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass. Signed by 13 members: Representatives Sheahan, Chairman; McDonald, Vice Chairman; Sterk, Vice Chairman; Costa, Ranking Minority Member; Constantine, Assistant Ranking Minority Member; Carrell; Cody; Kenney; Lambert; Lantz; Mulliken; Robertson and Sherstad.

Staff: Trudes Hutcheson (786-7384).

Background: There are several ways a creditor can satisfy a judgment against a debtor. The garnishment process is a remedy that allows a creditor to obtain the debtor's property that is in the possession of a third party. The third party is referred to as the "garnishee" and has certain rights and obligations.

The garnishee may be an employer, if the creditor seeks to garnish a debtor's wages. The creditor may serve an employer with a writ of garnishment called a "writ for continuing lien on earnings" that allows the creditor to garnish a portion of the debtor's wages each pay period for a limited time.

Financial institutions, such as banks, may also be garnishees, when the creditor seeks to garnish a debtor's funds in a bank account. The creditor will serve a financial institution with a general writ of garnishment that orders the garnishee defendant to hold a specified amount for the creditor.

Prior to the 1997 legislative session, creditors were required to serve all garnishees with a \$10 processing fee, along with the writ of garnishment and other information. Last year the Legislature passed ESHB 1687, which amended certain sections of the garnishment statutes to allow garnishees receiving writs for continuing lien on earnings to collect a \$20 processing fee. However, ESHB 1687 did not make the distinction between writs of garnishments and writs for continuing liens on earnings for the purposes of charging a processing fee. It is currently unclear under the statutes whether garnishees, such as financial institutions, receiving general writs of garnishments may collect a processing fee.

Summary of Bill: The legislative intent in the garnishment chapter is amended to reference broader garnishment situations other than just the garnishment of an employee's wages. Garnishees receiving writs of garnishments that are not writs for continuing lien on earnings are entitled to a \$20 processing fee in the form of a check or money order.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: None.

Testimony Against: None.

Testified: None.