

FINAL BILL REPORT

HB 2463

C 227 L 98

Synopsis as Enacted

Brief Description: Prescribing garnishee's processing fees.

Sponsors: Representatives Sheahan, Costa and Mulliken.

House Committee on Law & Justice

Senate Committee on Law & Justice

Background: There are several ways a creditor may 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 of 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.

When a garnishee is served with a writ of garnishment, the garnishee must respond within a certain time by serving an "answer" on the creditor. The answer must state how much the garnishee owes the debtor and list the debtor's property that is in the garnishee's possession or control.

Prior to 1997, all garnishees were entitled to a \$10 processing fee when being served with a writ. In 1997, the Legislature amended the law to allow garnishees of writs of continuing lien on earnings to receive a \$20 processing fee. The law is now unclear whether garnishees receiving general writs of garnishment may collect a processing fee and, if so, the amount of the processing fee.

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

Votes on Final Passage:

House 96 0

Senate 43 1 (Senate amended)

House 96 0 (House concurred)

Effective: June 11, 1998