

HOUSE BILL REPORT

HB 2684

As Reported by House Committee On:
Juvenile Justice & Family Law

Title: An act relating to service of orders to withhold and deliver on financial institutions.

Brief Description: Serving child support documents to financial institutions.

Sponsors: Representatives Dickerson, Delvin and Chase; by request of Department of Social and Health Services.

Brief History:

Committee Activity:

Juvenile Justice & Family Law: 2/5/02, 2/6/02 [DPS].

Brief Summary of Substitute Bill

- Allows the Division of Child Support to serve an order to withhold and deliver to a financial institution using regular mail under certain circumstances.

HOUSE COMMITTEE ON JUVENILE JUSTICE & FAMILY LAW

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Dickerson, Chair; Darneille, Vice Chair; Delvin, Ranking Minority Member; Armstrong, Eickmeyer and Tokuda.

Minority Report: Do not pass. Signed by 1 member: Representative Carrell.

Staff: Trudes Hutcheson (786-7384).

Background:

The Division of Child Support (DCS) enforces child support obligations using a variety of methods, including orders to withhold and deliver. An order to withhold and deliver requires a third person or entity holding property of the parent to deliver that property to the agency. An order to withhold and deliver can apply to a parent's wages as well as to other personal property, such as money in a bank account.

The DCS is usually required to serve an order to withhold and deliver by personal

service or certified mail. However, the DCS may use electronic means in certain circumstances and may use regular mail when serving an order to withhold and deliver on the parent's employer.

The DCS may serve an order to withhold and deliver by personal service or certified mail on the main office of a bank, savings and loan, or credit union, or on a branch office of such financial institution. Service on the main office shall be effective to attach the parent's deposits in the financial institution. Service on a branch office shall be effective to attach the deposits, accounts, credits, and other personal property of the parent in the possession or control of the particular branch served excluding compensation payable for personal services.

Summary of Substitute Bill:

Allows the Division of Child Support to serve an order to withhold and deliver to a financial institution by regular mail if the financial institution designates a central levy or garnishment address and if the notice is clearly identified as an order. Before the DCS can initiate a noncompliance action against a financial institution, it must serve the order to withhold and deliver by personal service or certified mail.

Substitute Bill Compared to Original Bill:

The substitute bill specifies that service by regular mail must be to an address that the financial institution designates as a central levy or garnishment address and the notice must be clearly identified as an order.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: This will increase efficiency for serving these kinds of orders. Orders to withhold and deliver on financial institutions are not often used and financial institutions have always complied with them.

(With concerns) Financial institutions do not want increased liability for failing to respond to these notices. The envelope should clearly be marked as being a child support order.

Testimony Against: None.

Testified: (In support) Georgiann DeKay, Department of Social and Health Services.

(With concerns) Gary Gardner, Boeing Employees Credit Union and United Financial Lobby.