

SENATE BILL REPORT

SB 6278

As Reported By Senate Committee On:
Judiciary, January 28, 2002

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: Senators Kline, Long and Costa; by request of Department of Social and Health Services.

Brief History:

Committee Activity: Judiciary: 1/22/02, 1/28/02 [DPS].

SENATE COMMITTEE ON JUDICIARY

Majority Report: That Substitute Senate Bill No. 6278 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kline, Chair; Kastama, Vice Chair; Costa, Long, Poulsen and Thibaudeau.

Staff: Lisa Ellis (786-7421)

Background: In order to facilitate the collection of child support payments, the Division of Child Support (DCS) sends orders to withhold and deliver property to banks and other financial institutions. DCS must serve an order to withhold and deliver to a bank or financial institution either by certified mail, return receipt requested or by personal service.

DCS recommends allowing banks and other financial institutions to be served by regular mail. It has been reported that banks and other financial institutions have generally complied with orders to withhold and deliver property in the past and this method of service allows DCS to serve orders to withhold and deliver to these institutions more efficiently.

Summary of Substitute Bill: DCS can serve an order to withhold and deliver property by regular mail to a financial institution if the address is designated by the financial institution as a central levy or garnishment address and the notice is clearly identified as a levy or garnishment order. Before initiating a noncompliance action, DCS must serve an order to withhold and deliver to a financial institution by personal service or certified mail, return receipt requested.

Substitute Bill Compared to Original Bill: Conditions of serving the order to a central levy or garnishment address and clearly identifying the notice as a levy or garnishment order are placed in the original bill.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Only a small number of financial institutions fail to comply with existing methods of service of orders to withhold and deliver. This bill would allow the Division of Child Support to serve financial institutions by regular mail rather than the more cumbersome method of certified mail.

Testimony Against: Regular mail service to financial institutions could result in delayed receipt and compromise the high rate of compliance by financial institutions.

Testified: Georgiann DeKay, Division of Child Support (pro); Gary Gardner, Boeing Employees' Credit Union (con).