

SENATE BILL REPORT

SB 5651

As of February 10, 2025

Title: An act relating to increasing the amount exempt from garnishment in nonbankruptcy cases.

Brief Description: Increasing the amount exempt from garnishment in nonbankruptcy cases.

Sponsors: Senators Alvarado, Valdez, Cortes, Nobles, Salomon, Slatter, Stanford and Trudeau.

Brief History:

Committee Activity: Law & Justice: 2/10/25.

Brief Summary of Bill

- Increases the amount of personal property that is exempt from execution, attachment, and garnishment in nonbankruptcy proceedings.
- Requires regular adjustments of exempt personal property amounts according to the consumer price index.

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Patrick Moore (786-7535)

Background: Execution, attachment, and garnishment are legal processes that allow creditors to collect debts from debtors by taking their property and income. Certain types and amounts of property are protected from such collections by laws known as exemptions. Some exemptions, such as those pertaining to bank accounts, have automatic protections which direct financial institutions to not freeze certain amounts or release them to creditors.

Summary of Bill: The amount of personal property that is exempt from execution, attachment, and garnishment in nonbankruptcy proceedings is increased from \$3,000 to \$6,000. Of this exempt amount, the amount that may consist of financial accounts and

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securities is increased to \$5,000.

The existing differences of exempt amounts based on whether the underlying debt is private student loan debt, consumer debt, or other debt are made the same. The automatic protection that pertains to this exemption is continued in effect beyond July 1, 2025, when it would otherwise expire. Beginning April 1, 2027, the amounts of this personal property exemption are to be adjusted every three years by the Department of Revenue. The adjustment shall reflect changes in the consumer price index.

Appropriation: None.

Fiscal Note: Requested on February 9, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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