H-0661.1

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**HOUSE BILL 1447**

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**State of Washington 67th Legislature 2021 Regular Session**

**By** Representatives Walen, Simmons, Ramel, Shewmake, Ormsby, Pollet, Hackney, and Macri

AN ACT Relating to garnishment of a debtor's wages, funds, or other property; amending RCW 6.15.010 and 6.27.100; creating a new section; and providing an expiration date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature has previously recognized that garnishees have no responsibility for the situation leading to the garnishment of a debtor's wages, funds, or other property, but that the garnishment process is necessary for the enforcement of obligations. The legislature has further recognized the importance of reducing or offsetting the administrative burden on the garnishee to the extent that that can be accomplished consistent with the goal of effectively enforcing debtors' unpaid obligations. At the same time, debtors must be afforded the exemptions to which they are statutorily entitled and protected from garnishments that violate Washington law.

By establishing automatic exemption amounts and specifying when and how much a garnishee bank is required to hold and release, the legislature intends to ease the burden on garnishees while protecting debtors from situations in which the entirety of their bank accounts are frozen before they have any opportunity to assert certain rightful exemptions.

**Sec.**  RCW 6.15.010 and 2019 c 371 s 3 are each amended to read as follows:

(1) Except as provided in RCW 6.15.050, the following personal property is exempt from execution, attachment, and garnishment:

(a) All wearing apparel of every individual and family, but not to exceed three thousand five hundred dollars in value in furs, jewelry, and personal ornaments for any individual.

(b) All private libraries including electronic media, which includes audiovisual, entertainment, or reference media in digital or analogue format, of every individual, but not to exceed three thousand five hundred dollars in value, and all family pictures and keepsakes.

(c) A cell phone, personal computer, and printer.

(d) To each individual or, as to community property of spouses maintaining a single household as against a creditor of the community, to the community:

(i) The individual's or community's household goods, appliances, furniture, and home and yard equipment, not to exceed six thousand five hundred dollars in value for the individual or thirteen thousand dollars for the community, no single item to exceed seven hundred fifty dollars, said amount to include provisions and fuel for the comfortable maintenance of the individual or community;

(ii) Other personal property, except personal earnings as provided under RCW 6.15.050(1), not to exceed three thousand dollars in value, of which not more than one thousand five hundred dollars in value may consist of cash, and of which not more than:

(A) For all debts except private student loan debt and consumer debt, five hundred dollars in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under this subsection (1)(d)(ii)(A) shall be automatically protected and may not exceed five hundred dollars, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.

(B) For all private student loan debt, two thousand five hundred dollars in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. $1,000 in value shall be automatically protected. The maximum exemption under this subsection (1)(d)(ii)(B) may not exceed two thousand five hundred dollars, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.

(C) For all consumer debt, two thousand dollars in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. $1,000 in value shall be automatically protected. The maximum exemption under this subsection (1)(d)(ii)(C) may not exceed two thousand dollars, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities;

(iii) For an individual, a motor vehicle used for personal transportation, not to exceed three thousand two hundred fifty dollars or for a community two motor vehicles used for personal transportation, not to exceed six thousand five hundred dollars in aggregate value;

(iv) Any past due, current, or future child support paid or owed to the debtor, which can be traced;

(v) All professionally prescribed health aids for the debtor or a dependent of the debtor; and

(vi) To any individual, the right to or proceeds of a payment not to exceed twenty thousand dollars on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the debtor or an individual of whom the debtor is a dependent; or the right to or proceeds of a payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor. The exemption under this subsection (1)(d)(vi) does not apply to the right of the state of Washington, or any agent or assignee of the state, as a lienholder or subrogee under RCW 43.20B.060.

(e) To each qualified individual, one of the following exemptions:

(i) To a farmer, farm trucks, farm stock, farm tools, farm equipment, supplies and seed, not to exceed ten thousand dollars in value;

(ii) To a physician, surgeon, attorney, member of the clergy, or other professional person, the individual's library, office furniture, office equipment and supplies, not to exceed ten thousand dollars in value;

(iii) To any other individual, the tools and instruments and materials used to carry on his or her trade for the support of himself or herself or family, not to exceed ten thousand dollars in value.

(f) Tuition units, under chapter 28B.95 RCW, purchased more than two years prior to the date of a bankruptcy filing or court judgment, and contributions to any other qualified tuition program under 26 U.S.C. Sec. 529 of the internal revenue code of 1986, as amended, and to a Coverdell education savings account, also known as an education individual retirement account, under 26 U.S.C. Sec. 530 of the internal revenue code of 1986, as amended, contributed more than two years prior to the date of a bankruptcy filing or court judgment.

(2) For purposes of this section, "value" means the reasonable market value of the debtor's interest in an article or item at the time it is selected for exemption, exclusive of all liens and encumbrances thereon.

**Sec.**  RCW 6.27.100 and 2019 c 371 s 4 are each amended to read as follows:

(1) A writ issued for a continuing lien on earnings shall be substantially in the form provided in RCW 6.27.105. All other writs of garnishment shall be substantially in the following form, but:

(a) If the writ is issued under an order or judgment for child support, the following statement shall appear conspicuously in the caption: "This garnishment is based on a judgment or order for child support";

(b) If the writ is issued under an order or judgment for private student loan debt, the following statement shall appear conspicuously in the caption: "This garnishment is based on a judgment or order for private student loan debt";

(c) If the writ is issued under an order or judgment for consumer debt, the following statement shall appear conspicuously in the caption: "This garnishment is based on a judgment or order for consumer debt"; and

(d) If the writ is issued by an attorney, the writ shall be revised as indicated in subsection (2) of this section:

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| "IN THE  . . . . . COURTOF THE STATE OF WASHINGTON IN AND FORTHE COUNTY OF  . . . . . . |
|  , |  |
| Plaintiff, | No.  . . . . |
| vs. |  |  |
|  , | WRIT OF |
| Defendant, | GARNISHMENT |
|  , |  |
| Garnishee |  |
| THE STATE OF WASHINGTON TO:    |
|  | Garnishee |
| AND TO:    |
| Defendant |
| The above-named plaintiff has applied for a writ of garnishment against you, claiming that the above-named defendant is indebted to plaintiff and that the amount to be held to satisfy that indebtedness is $ . . . . . ., consisting of: |
|  | Balance on Judgment or Amount of Claim | $ . . . . |
|  | Interest under Judgment from . . . . to  . . . . | $ . . . . |
|  | Per Day Rate of Estimated Interest | $ . . . . per day |
|  | Taxable Costs and Attorneys' Fees | $ . . . . |
|  | Estimated Garnishment Costs: |
|  | Filing and Ex Parte Fees | $ . . . . |
|  | Service and Affidavit Fees | $ . . . . |
|  | Postage and Costs of Certified Mail | $ . . . . |
|  | Answer Fee or Fees | $ . . . . |
|  | Garnishment Attorney Fee | $ . . . . |
|  | Other | $ . . . . |

YOU ARE HEREBY COMMANDED, unless otherwise directed by the court, by the attorney of record for the plaintiff, or by this writ, not to pay any debt, whether earnings subject to this garnishment or any other debt, owed to the defendant at the time this writ was served and not to deliver, sell, or transfer, or recognize any sale or transfer of, any personal property or effects of the defendant in your possession or control at the time when this writ was served. Any such payment, delivery, sale, or transfer is void to the extent necessary to satisfy the plaintiff's claim and costs for this writ with interest.

YOU ARE FURTHER COMMANDED to answer this writ according to the instructions in this writ and in the answer forms and, within twenty days after the service of the writ upon you, to mail or deliver the original of such answer to the court, one copy to the plaintiff or the plaintiff's attorney, and one copy to the defendant, at the addresses listed at the bottom of this writ.

If you owe the defendant a debt payable in money in excess of the amount set forth in the first paragraph of this writ, hold only the amount set forth in the first paragraph and any processing fee if one is charged and release all additional funds or property to defendant.

FOR ALL DEBTS EXCEPT PRIVATE STUDENT LOAN DEBT AND CONSUMER DEBT:

If you are a bank or other institution in which the defendant has accounts to which the exemption under RCW 6.15.010(1)(d)(ii)(A) applies and the total of the amounts held in all of the defendant's accounts is less than or equal to $500, release all funds or property to the defendant and do not hold any amount.

If you are a bank or other institution in which the defendant has accounts to which the exemption under RCW 6.15.010(1)(d)(ii)(A) applies and the total of the amounts held in all of the defendant's accounts is in excess of $500, release at least $500, hold no more than the amount set forth in the first paragraph of this writ and any processing fee if one is charged, and release additional funds or property, if any, to the defendant.

FOR PRIVATE STUDENT LOAN DEBT AND CONSUMER DEBT:

If you are a bank or other institution in which the defendant has accounts to which the exemption under RCW 6.15.010(1)(d)(ii) (B) or (C) applies and the total of the amounts held in all of the defendant's accounts is less than or equal to $1,000, release all funds or property to the defendant and do not hold any amount.

If you are a bank or other institution in which the defendant has accounts to which the exemption under RCW 6.15.010(1)(d)(ii) (B) or (C) applies and the total of the amounts held in all of the defendant's accounts is in excess of $1,000, release at least $1,000, hold no more than the amount set forth in the first paragraph of this writ and any processing fee if one is charged, and release additional funds or property, if any, to the defendant.

IF YOU FAIL TO ANSWER THIS WRIT AS COMMANDED, A JUDGMENT MAY BE ENTERED AGAINST YOU FOR THE FULL AMOUNT OF THE PLAINTIFF'S CLAIM AGAINST THE DEFENDANT WITH ACCRUING INTEREST, ATTORNEY FEES, AND COSTS WHETHER OR NOT YOU OWE ANYTHING TO THE DEFENDANT. IF YOU PROPERLY ANSWER THIS WRIT, ANY JUDGMENT AGAINST YOU WILL NOT EXCEED THE AMOUNT OF ANY NONEXEMPT DEBT OR THE VALUE OF ANY NONEXEMPT PROPERTY OR EFFECTS IN YOUR POSSESSION OR CONTROL.

JUDGMENT MAY ALSO BE ENTERED AGAINST THE DEFENDANT FOR COSTS AND FEES INCURRED BY THE PLAINTIFF.

Witness, the Honorable . . . . . . . ., Judge of the above-entitled Court, and the seal thereof, this . . . . day of . . . . . ., . . . . (year)

[Seal]

|  |  |
| --- | --- |
|   |   |
| Attorney for Plaintiff (or Plaintiff, if no attorney) |  | Clerk of the Court |  |
|   |   |
| Address | By |
|   |   |
| Name of Defendant | Address" |
|   |  |
| Address of Defendant |  |

(2) If an attorney issues the writ of garnishment, the final paragraph of the writ, containing the date, and the subscripted attorney and clerk provisions, shall be replaced with text in substantially the following form:

"This writ is issued by the undersigned attorney of record for plaintiff under the authority of chapter 6.27 of the Revised Code of Washington, and must be complied with in the same manner as a writ issued by the clerk of the court.

|  |
| --- |
| Dated this  . . . . . . . .day of . . . . . . . . . .,  . . . . (year) |
|   |  |
| Attorney for Plaintiff |  |
|   |   |
| Address | Address of the Clerk of the Court" |
|   |  |
| Name of Defendant |  |
|   |  |
| Address of Defendant |  |

NEW SECTION. **Sec.**  This act expires July 1, 2025.

**--- END ---**