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**HOUSE BILL 2119**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Representatives Riccelli, Taylor, Leavitt, Simmons, Reed, Ormsby, Macri, Fosse, Tharinger, Doglio, Wylie, Reeves, and Pollet

AN ACT Relating to protecting consumers from garnishment of earnings for judgments arising from medical debt; and amending RCW 6.27.010, 6.27.020, 6.27.060, 6.27.140, and 6.27.150.

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

**Sec.**  RCW 6.27.010 and 2012 c 159 s 1 are each amended to read as follows:

((~~(1)~~)) As used in this chapter((~~, the term "earnings"~~)):

(1) "Earnings" means compensation paid or payable to an individual for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a governmental or nongovernmental pension or retirement program.

(2) ((~~As used in this chapter, the term "disposable~~)) "Disposable earnings" means that part of earnings remaining after the deduction from those earnings of any amounts required by law to be withheld.

(3) "Medical debt" has the same meaning as provided in RCW 19.16.100.

**Sec.**  RCW 6.27.020 and 2003 c 222 s 1 are each amended to read as follows:

(1) The clerks of the superior courts and district courts of this state may issue writs of garnishment returnable to their respective courts for the benefit of a judgment creditor who has a judgment wholly or partially unsatisfied in the court from which the garnishment is sought. However, no writ of garnishment, including a writ for a continuing lien on earnings, shall be issued to an employer for the garnishment of the judgment debtor's earnings if the judgment arises from medical debt of the judgment debtor.

(2) Writs of garnishment may be issued in district court with like effect by the attorney of record for the judgment creditor, and the form of writ shall be substantially the same as when issued by the court except that it shall be subscribed only by the signature of such attorney.

(3) Except as otherwise provided in RCW 6.27.040 and 6.27.330, the superior courts and district courts of this state may issue prejudgment writs of garnishment to a plaintiff at the time of commencement of an action or at any time afterward, subject to the requirements of chapter 6.26 RCW.

**Sec.**  RCW 6.27.060 and 2018 c 22 s 4 are each amended to read as follows:

The judgment creditor as the plaintiff or someone in the judgment creditor's behalf shall apply for a writ of garnishment by affidavit, stating the following facts: (1) The plaintiff has a judgment wholly or partially unsatisfied in the court from which the writ is sought; (2) the amount alleged to be due under that judgment; (3) the plaintiff has reason to believe, and does believe that the garnishee, stating the garnishee's name and residence or place of business, is indebted to the defendant in amounts exceeding those exempted from garnishment by any state or federal law, or that the garnishee has possession or control of personal property or effects belonging to the defendant which are not exempted from garnishment by any state or federal law; ((~~and~~)) (4) whether or not the garnishee is the employer of the judgment debtor; and (5) whether or not the judgment arises from medical debt of the judgment debtor.

The judgment creditor shall pay to the clerk of the superior court the fee provided by RCW 36.18.016(6), or to the clerk of the district court the fee provided by RCW 3.62.060.

**Sec.**  RCW 6.27.140 and 2023 c 393 s 5 are each amended to read as follows:

(1) The notice required by RCW 6.27.130(1) to be mailed to or served on an individual judgment debtor shall be in the following form, printed or typed in no smaller than size twelve point font:

NOTICE OF GARNISHMENT

AND OF YOUR RIGHTS

A Writ of Garnishment issued in a Washington court has been or will be served on the garnishee named in the attached copy of the writ. After receipt of the writ, the garnishee is required to withhold payment of any money that was due to you and to withhold any other property of yours that the garnishee held or controlled. This notice of your rights is required by law.

YOU HAVE THE FOLLOWING EXEMPTION RIGHTS:

WAGES. If the garnishee is your employer who owes wages or other personal earnings to you, your employer is required to pay amounts to you that are exempt under state and federal laws, as explained in the writ of garnishment. You should receive a copy of your employer's answer, which will show how the exempt amount was calculated. A garnishment against wages or other earnings for child support may not be issued under chapter 6.27 RCW. If the garnishment is for private student loan debt, the exempt amount paid to you will be the greater of the following: A percent of your disposable earnings, which is eighty-five percent of the part of your earnings remaining after your employer deducts those amounts which are required by law to be withheld, or fifty times the minimum hourly wage of the highest minimum wage law in the state at the time the earnings are payable. If the garnishment is for consumer debt, other than medical debt, the exempt amount paid to you will be the greater of the following: A percent of your disposable earnings, which is eighty percent of the part of your earnings remaining after your employer deducts those amounts which are required by law to be withheld, or thirty-five times the state minimum hourly wage. A garnishment against wages or other earnings may not be issued for medical debt.

BANK ACCOUNTS. If the garnishee is a bank or other institution with which you have an account in which you have deposited benefits such as Temporary Assistance for Needy Families, Supplemental Security Income (SSI), Social Security, veterans' benefits, unemployment compensation, or any federally qualified pension, such as a state or federal pension, individual retirement account (IRA), or 401K plan, you may claim the account as fully exempt if you have deposited only such benefit funds in the account. It may be partially exempt even though you have deposited money from other sources in the same account. An exemption is also available under RCW 26.16.200, providing that funds in a community bank account that can be identified as the earnings of a stepparent are exempt from a garnishment on the child support obligation of the parent.

OTHER EXEMPTIONS. If the garnishee holds other property of yours, some or all of it may be exempt under RCW 6.15.010, a Washington statute that exempts certain property of your choice (including, if the judgment is for private student loan debt, up to $2,500.00 in a bank account, or for a marital community or domestic partnership up to $5,000.00 in a bank account; if the judgment is for other consumer debt, up to $2,000.00 in a bank account, or for a marital community or domestic partnership up to $4,000.00 in a bank account; or, if the judgment is for any other debts, up to $500.00 in a bank account, or for a marital community or domestic partnership up to $1,000.00 in a bank account) and certain other property such as household furnishings, tools of trade, and a motor vehicle (all limited by differing dollar values).

HOW TO CLAIM EXEMPTIONS. Fill out the enclosed claim form and mail or deliver it as described in instructions on the claim form. If the plaintiff does not object to your claim, the funds or other property that you have claimed as exempt must be released not later than 10 days after the plaintiff receives your claim form. If the plaintiff objects, the law requires a hearing not later than 14 days after the plaintiff receives your claim form, and notice of the objection and hearing date will be mailed to you at the address that you put on the claim form.

THE LAW ALSO PROVIDES OTHER EXEMPTION RIGHTS. IF NECESSARY, AN ATTORNEY CAN ASSIST YOU TO ASSERT THESE AND OTHER RIGHTS, BUT YOU MUST ACT IMMEDIATELY TO AVOID LOSS OF RIGHTS BY DELAY.

(2)(a) If the writ is to garnish funds or property held by a financial institution, the claim form required by RCW 6.27.130(1) to be mailed to or served on an individual judgment debtor shall be in the following form, printed or typed in no smaller than size twelve point font:

|  |
| --- |
| [Caption to be filled in by judgment creditoror plaintiff before mailing.] |
| Name of Court |  |
|   | No . . . . . . |
| Plaintiff, |  |
| vs. |  |
|   | EXEMPTION CLAIM |
| Defendant, |  |
| Garnishee Defendant |  |
| INSTRUCTIONS: |
| 1. | Read this whole form after reading the enclosed notice. Then put an X in the box or boxes that describe your exemption claim or claims and write in the necessary information on the blank lines. If additional space is needed, use the bottom of the last page or attach another sheet. |
| 2. | Make two copies of the completed form. Deliver the original form by first-class mail or in person to the clerk of the court, whose address is shown at the bottom of the writ of garnishment. Deliver one of the copies by first-class mail or in person to the plaintiff or plaintiff's attorney, whose name and address are shown at the bottom of the writ. Keep the other copy. YOU SHOULD DO THIS AS QUICKLY AS POSSIBLE, BUT NO LATER THAN 28 DAYS (4 WEEKS) AFTER THE DATE ON THE WRIT. |
| I/We claim the following money or property as exempt: |
| IF BANK ACCOUNT IS GARNISHED: |
| [  ] The account contains payments from: |
| [  ] | Temporary assistance for needy families, SSI, or other public assistance. I receive $ . . . . . monthly. |
| [  ] | Social Security. I receive $ . . . . . monthly. |
| [  ] | Veterans' Benefits. I receive $ . . . . . monthly. |
| [  ] | Federally qualified pension, such as a state or federal pension, individual retirement account (IRA), or 401K plan. I receive $ . . . . . monthly. |
| [  ] | Unemployment Compensation. I receive $ . . . . . monthly. |
| [  ] | Child support. I receive $ . . . . . monthly. |
| [  ] | Other. Explain  |
| [  ] I/We claim the following exemptions: |
| [  ] | Exemption for private student loan debts: |
|  | [  ]  $2,500 for an individual; or |
|  | [  ]  $5,000 for a marital community or domesticpartnership. |
| [  ] | Exemption for consumer debts: |
|  | [  ]  $2,000 for an individual; or |
|  | [  ]  $4,000 for a marital community or domesticpartnership. |
| [  ] | Exemption for all other debts: |
|  | [  ]  $500 for an individual; or |
|  | [  ]  $1,000 for a marital community or domesticpartnership. |
| [  ] | I declare under penalty of perjury under the laws of the State of Washington that I am a married person and that I wish to use the marital exemptions. |
| IF EXEMPTION IN BANK ACCOUNT IS CLAIMED, ANSWER ONE OR BOTH OF THE FOLLOWING: |
| [  ] | No money other than from above payments are in the account. |
| [  ] | Moneys in addition to the above payments have been deposited in the account. Explain  |
|  |   |
|  |   |
| OTHER PROPERTY: |
| [  ] | Describe property  |
|  |   |
|  | (If you claim other personal property as exempt, you must attach a list of all other personal property that you own.) |
|   |   |
|  | Print: Your name | If married or in a state registered domestic partnership, |
|  | name of husband/wife/state registered domestic partner |
|   |   |
|   |   |
|  | Address | Address |
|  | (if different from yours) |
|   |   |
|  | Telephone number | Telephone number |
|  | (if different from yours) |
|  Your signature |  |

CAUTION: If the plaintiff objects to your claim, you will have to go to court and give proof of your claim. For example, if you claim that a bank account is exempt, you may have to show the judge your bank statements and papers that show the source of the money you deposited in the bank. Your claim may be granted more quickly if you attach copies of such proof to your claim.

IF THE JUDGE DENIES YOUR EXEMPTION CLAIM, YOU WILL HAVE TO PAY THE PLAINTIFF'S COSTS. IF THE JUDGE DECIDES THAT YOU DID NOT MAKE THE CLAIM IN GOOD FAITH, HE OR SHE MAY DECIDE THAT YOU MUST PAY THE PLAINTIFF'S ATTORNEY FEES.

(b) If the writ is directed to an employer to garnish earnings, the claim form required by RCW 6.27.130(1) to be mailed to or served on an individual judgment debtor shall be in the following form, printed or typed in no smaller than size twelve point font type:

|  |
| --- |
| [Caption to be filled in by judgment creditoror plaintiff before mailing.] |
|   |  |
| Name of Court |  |
|   | No . . . . . . |
| Plaintiff, |  |
| vs. |  |
|   | EXEMPTION CLAIM |
| Defendant, |  |
|   |  |
| Garnishee Defendant |  |
| INSTRUCTIONS: |
| 1. | Read this whole form after reading the enclosed notice. Then put an X in the box or boxes that describe your exemption claim or claims and write in the necessary information on the blank lines. If additional space is needed, use the bottom of the last page or attach another sheet. |
| 2. | Make two copies of the completed form. Deliver the original form by first-class mail or in person to the clerk of the court, whose address is shown at the bottom of the writ of garnishment. Deliver one of the copies by first-class mail or in person to the plaintiff or plaintiff's attorney, whose name and address are shown at the bottom of the writ. Keep the other copy. YOU SHOULD DO THIS AS QUICKLY AS POSSIBLE, BUT NO LATER THAN 28 DAYS (4 WEEKS) AFTER THE DATE ON THE WRIT. |
| I/We claim the following money or property as exempt: |
| IF PENSION OR RETIREMENT BENEFITS ARE GARNISHED: |
| [  ] | Name and address of employer who is paying thebenefits:  |
|  |   |
| IF EARNINGS ARE GARNISHED FOR PRIVATE STUDENT LOAN DEBT: |
| [  ] | I claim maximum exemption. |
|  |  |  |  |
| IF EARNINGS ARE GARNISHED FOR CONSUMER DEBT: |
| [  ] | I claim maximum exemption. |
|   |   |
|  | Print: Your name | If married or in a state registered domestic partnership, |
|  | name of husband/wife/state registered domestic partner |
|   |   |
|   |   |
|  | Address | Address |
|  | (if different from yours) |
|   |   |
|  | Telephone number | Telephone number |
|  | (if different from yours) |
|  Your signature |  |

CAUTION: If the plaintiff objects to your claim, you will have to go to court and give proof of your claim. For example, if you claim that a bank account is exempt, you may have to show the judge your bank statements and papers that show the source of the money you deposited in the bank. Your claim may be granted more quickly if you attach copies of such proof to your claim.

IF THE JUDGE DENIES YOUR EXEMPTION CLAIM, YOU WILL HAVE TO PAY THE PLAINTIFF'S COSTS. IF THE JUDGE DECIDES THAT YOU DID NOT MAKE THE CLAIM IN GOOD FAITH, HE OR SHE MAY DECIDE THAT YOU MUST PAY THE PLAINTIFF'S ATTORNEY FEES.

(c) If the writ under (b) of this subsection is not a writ for the collection of private student loan debt, the exemption language pertaining to private student loan debt may be omitted.

(d) If the writ under (b) of this subsection is not a writ for the collection of consumer debt, the exemption language pertaining to consumer debt may be omitted.

**Sec.**  RCW 6.27.150 and 2021 c 35 s 3 are each amended to read as follows:

(1) Except as provided in subsections (2) ((~~and~~)), (3), and (4) of this section, if the garnishee is an employer owing the defendant earnings, then for each week of such earnings, an amount shall be exempt from garnishment which is the greatest of the following:

(a) Thirty-five times the federal minimum hourly wage in effect at the time the earnings are payable; or

(b) Seventy-five percent of the disposable earnings of the defendant.

(2) In the case of a garnishment based on a court order for spousal maintenance, other than a mandatory wage assignment order pursuant to chapter 26.18 RCW, or a mandatory assignment of retirement benefits pursuant to chapter 41.50 RCW, the exemption shall be fifty percent of the disposable earnings of the defendant.

(3) In the case of a garnishment based on a judgment or other order for the collection of private student loan debt, for each week of such earnings, an amount shall be exempt from garnishment which is the greater of the following:

(a) Fifty times the minimum hourly wage of the highest minimum wage law in the state at the time the earnings are payable; or

(b) Eighty-five percent of the disposable earnings of the defendant.

(4)(a) In the case of a garnishment based on a judgment or other order for the collection of consumer debt, other than medical debt, for each week of such earnings, an amount shall be exempt from garnishment which is the greater of the following:

((~~(a)~~)) (i) Thirty-five times the state minimum hourly wage; or

((~~(b)~~)) (ii) Eighty percent of the disposable earnings of the defendant.

(b) All earnings are exempt from garnishment for judgments arising from medical debt as provided in RCW 6.27.020.

(5) The exemptions stated in this section shall apply whether such earnings are paid, or are to be paid, weekly, monthly, or at other intervals, and whether earnings are due the defendant for one week, a portion thereof, or for a longer period.

(6) Unless directed otherwise by the court, the garnishee shall determine and deduct exempt amounts under this section as directed in the writ of garnishment and answer, and shall pay these amounts to the defendant.

(7) No money due or earned as earnings as defined in RCW 6.27.010 shall be exempt from garnishment under the provisions of RCW 6.15.010, as now or hereafter amended.

**--- END ---**