

HOUSE BILL REPORT

SSB 5592

As Reported by House Committee On:
Judiciary

Title: An act relating to garnishments.

Brief Description: Allowing attorney issued garnishments and simplifying garnishment answer forms.

Sponsors: Senate Committee on Judiciary (originally sponsored by Senators Mulliken, Eide, Johnson, Haugen, Sheahan and McCaslin).

Brief History:

Committee Activity:

Judiciary: 4/3/03, 4/4/03 [DPA].

Brief Summary of Substitute Bill
(As Amended by House Committee)

- Allows attorneys for creditors to issue writs of garnishment following a district court judgment against a debtor.
- Allows attorneys in district court and superior court to release a garnishment without a court order.
- Changes the format of the worksheet used by a garnishee to answer a writ of garnishment.
- Allows a garnishee to make a motion to reduce a default judgment only on the first writ of garnishment.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass as amended. Signed by 9 members: Representatives Lantz, Chair; Moeller, Vice Chair; Carrell, Ranking Minority Member; McMahan, Assistant Ranking Minority Member; Campbell, Flannigan, Kirby, Lovick and Newhouse.

Staff: Edie Adams (786-7180).

Background:

There are several ways a creditor may satisfy a judgment against a debtor. The garnishment process is a remedy that allows a creditor to obtain a debtor's funds or property that are in the possession of a third person (garnishee). Garnishment is used to force a debtor's employer to pay the creditor directly out of the debtor's paycheck. Garnishment may also be used to reach other assets of the debtor, such as a bank account.

Following a judgment or court order, the creditor files an application with the court clerk, who is then required to issue a writ of garnishment to the creditor. The creditor serves the writ on the third party garnishee. In superior court, the creditor also sends a copy of the writ and a copy of the judgment to the debtor. In district court, the creditor sends a copy of the writ and a copy of the creditor's application for the writ to the debtor. Service may be in person or by certified mail. Service on a government entity is by the same manner as service of a summons for a civil action, meaning that certified mail is not acceptable.

The writ of garnishment directs the garnishee to answer whether it holds funds or property owed to the debtor. The proper form for the answer details the amount owed by the garnishee to the debtor, and includes a worksheet for figuring the appropriate amounts exempted from garnishment. The creditor provides copies of this form when serving the writ of garnishment.

If the garnishee fails to answer the writ within 20 days after service, the court may enter judgment by default against the garnishee for the full amount of the judgment against the debtor, along with interests and costs, whether or not the garnishee owes anything to the debtor. The garnishee may make a motion to have this default judgment reduced to the amount owed to the debtor that is actually in the possession of the garnishee, as long as the motion is made within seven days of the service of the writ of execution or garnishment on the judgement.

Summary of Amended Bill:

The attorney of record for a creditor may issue a writ of garnishment following a judgment or court order from a district court. This writ follows the same form as that used when the court issues such writ, and the clerk of the court docket the case in the same manner as when the court issues the writ. The form of an attorney-issued writ incorporates changes to accommodate the signature of the attorney and to note that the writ requires the same compliance as a court-issued writ.

The service provisions are modified so that government entities may be served by certified mail. The provisions for service in superior court are modified to require mailing of a copy of the creditor's application for garnishment, rather than a copy of the judgment, to the debtor.

The form for the garnishee's answer is altered, creating a worksheet with calculation instructions. The formulas used are not changed. The garnishee's ability to make a motion for reduction of a default judgment within seven days of the writ of execution or garnishment is limited to the first such writ.

Attorneys for creditors are authorized to release exempted funds from garnishment, and a form is provided for such a release. Attorneys for creditors may also dismiss a garnishment. Payments to a creditor may be made either to the creditor or the creditor's attorney.

The garnishment statute is amended to reference, as subject to garnishment, non-governmental pensions or retirement programs, as opposed to any pension or retirement program, since governmental pensions and retirement programs are not subject to garnishment.

The \$2 garnishment filing fee in the garnishment statute is amended to be consistent with the garnishment filing fee provided in the district court civil filing fee statute, which is \$6.

Amended Bill Compared to Substitute Bill:

The Substitute Senate Bill did not include the provisions making the two garnishment filing fee provisions consistent or changing pension and retirement program references to "nongovernmental pension or retirement program" references.

Appropriation: None.

Fiscal Note: Available on SB 5592.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Testimony For: The bill will simplify and speed up the garnishment process and free up court clerk time. The bill only allows attorneys to issue writs of garnishment in district court, so it will not impact child support judgments. There is a clarifying amendment dealing with nongovernmental pensions.

(With amendment, no position on underlying bill) The bill should be amended to reconcile inconsistent filing fee provisions.

Testimony Against: None.

Testified: (In support) Senator Mulliken, prime sponsor; and Kevin Underwood,

Washington Collectors Association.

(With amendment, no position on underlying bill) Melanie Stewart, Washington District and Municipal Court Judges Association.