

GARNISHMENT FEES

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Fred R. Hunsaker

Senate Sponsor: _____

LONG TITLE

General Description:

This bill changes the fees an employer may receive for processing garnishments for employees.

Highlighted Provisions:

This bill:

- shifts the fees paid to an employer from the creditor to the employee;
- allows an employer to charge a processing fee for a continuing garnishment not to exceed:
 - \$100 if the employer has less than 100 employees; or
 - \$50 if the employer has more than 100 employees; and
- makes no change to the current fee amounts for nonemployers.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

78-7-44, as renumbered and amended by Chapter 46, Laws of Utah 2001

Be it enacted by the Legislature of the state of Utah:



Section 1. Section ~~78-7-44~~ is amended to read:

78-7-44. Fees for writ of garnishment -- Single or continuing.

(1) Any creditor who serves or causes to be served a writ of garnishment upon ~~[the]~~ a garnishee who is not an employer of the debtor shall pay to the garnishee:

(a) \$10 for a single garnishment; and

(b) \$25 for a continuing garnishment.

~~[(2) The creditor shall pay the fee directly to the garnishee.]~~

(2) An employer who is served with a garnishment may, after the requirements of Utah Rule of Civil Procedure 64D have been met:

(a) for a single garnishment, deduct a processing fee of not more than \$10 from the employee at the time the garnishment is satisfied; or

(b) for a continuing garnishment, deduct a processing fee subject to the limits in Subsections (3)(a) and (b).

(3) An employer who is served with a continuing garnishment may deduct a processing fee of up to \$25 each time a payment is made.

(a) If the employer has 100 employees or less on the business' payroll, the employer may not collect more than \$100 total from the employee under this subsection for a continuing garnishment from the same creditor.

(b) If the employer has 101 or more employees on the business' payroll, the employer may not collect more than \$50 total from the employee under this subsection for a continuing garnishment from the same creditor.

(4) The processing fee shall be included in the nonexempt amount subject to garnishment.

(5) Subsection (3) does not apply to income withholding for the collection of child support pursuant to Title 62A, Chapter 11, Part 4, Income Withholding in IV-D Cases, and Part 5, Income Withholding in Non IV-D Cases.

Legislative Review Note

as of 1-2-07 2:55 PM

Office of Legislative Research and General Counsel

H.B. 90 - Garnishment Fees

Fiscal Note

2007 General Session

State of Utah

State Impact

Upon enactment of this legislation, the Division of Finance would require a one-time appropriation of \$10,000 from the General Fund for programming costs. The General Fund would receive an additional \$12,500 annually.

	FY 2007	FY 2008	FY 2009	FY 2007	FY 2008	FY 2009
	<u>Approp.</u>	<u>Approp.</u>	<u>Approp.</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
General Fund	\$0	\$10,000	\$0	\$0	\$12,500	\$12,500
Total	\$0	\$10,000	\$0	\$0	\$12,500	\$12,500

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments. The responsibility of garnishment fees will be transferred from the creditor to the debtor.