

1 **OFFICE OF STATE DEBT COLLECTION - ~~§~~→ [WRIT OF**
2 ~~—~~**GARNISHMENT] ADMINISTRATIVE GARNISHMENT ORDER ←~~§~~**

3 2013 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Lyle W. Hillyard**

6 House Sponsor: Brian S. King

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8 LONG TITLE

9 **General Description:**

10 This bill authorizes the Office of State Debt Collection to issue ~~§~~→ [a writ of garnishment]
10a **an administrative garnishment order ←~~§~~**
11 for a wage claim debt or criminal restitution debt.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ authorizes the Office of State Debt Collection (the office) to issue ~~§~~→ [a writ of
- 15 **garnishment] an administrative garnishment order ←~~§~~** for a wage claim debt or criminal
- 15a restitution debt;
- 16 ▶ requires the office to include certain information in the ~~§~~→ [writ] **order ←~~§~~** ;
- 17 ▶ releases a garnishee from liability if the garnishee acts in accordance with the
- 18 garnishment;
- 19 ▶ limits the amount collected by the office in certain circumstances; and
- 20 ▶ enacts other applicable provisions.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 ENACTS:

27 **63A-3-507**, Utah Code Annotated 1953



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

Section 1. Section **63A-3-507** is enacted to read:

63A-3-507. Administrative ~~§~~ [writ-of] ~~←§~~ garnishment ~~§~~ order ~~←§~~ .

(1) If a judgment ~~§~~ ~~[or final administrative order]~~ ~~←§~~ is entered against a debtor, the office may, subject to Subsection (2), issue ~~§~~ ~~[a writ of garnishment]~~ **an administrative garnishment order ~~←§~~** against the debtor's personal property and wages in the possession of a third party in the same manner and with the same effect as if the ~~§~~ ~~[writ were]~~ **order was a writ of garnishment ~~←§~~** issued ~~§~~ ~~[on a judgment of a]~~ **in ~~←§~~** district court.

(2) The office may issue the ~~§~~ ~~[writ of garnishment]~~ **administrative garnishment order ~~←§~~** if:

(a) the ~~§~~ ~~[writ]~~ **order ~~←§~~** is:

(i) signed by the director or the director's designee; and

(ii) served by certified mail, return receipt requested, or as prescribed by Rule 4, Utah Rules of Civil Procedure; and

(b) (i) the underlying debt is for nonpayment of restitution as defined in Section 77-38a-102; or

(ii) the underlying debt is for nonpayment of an order for payment issued by the Labor Commission, established in Section 34A-1-103, for wage claims.

(3) ~~§~~ ~~[A writ of garnishment]~~ **An administrative garnishment order ~~←§~~** issued in accordance with this section is subject to the procedures and due process protections provided by Rule 64D, Utah Rules of Civil Procedure, except as provided by Section 70C-7-103.

(4) An administrative ~~§~~ ~~[writ-of]~~ ~~←§~~ garnishment ~~§~~ **order ~~←§~~** issued by the office shall:

(a) contain a statement that includes:

(i) if known:

(A) the nature, location, account number, and estimated value of the property; and

(B) the name, address, and phone number of the person holding the property;

(ii) whether any of the property consists of earnings;

(iii) the amount of the judgment and the amount due on the judgment;

(iv) the name, address, and phone number of any person known to the plaintiff to claim an interest in the property; and

(v) that the plaintiff has attached or will serve the garnishee fee established in Section 78A-2-216;

90 is successfully controverted.

91 (b) Except as provided in Subsection (5)(c), if the garnishee fails to comply with an
 92 administrative garnishment issued by the office without a court or final administrative order
 93 directing otherwise, the garnishee is liable to the office for an amount ordered by the court,
 94 including:

95 (i) the value of the property or the value of the judgment, whichever is less;

96 (ii) reasonable costs; and

97 (iii) attorney fees incurred by the parties as a result of the garnishee's failure.

98 (c) If the garnishee shows that the steps taken to secure the property were reasonable,
 99 the court may excuse the garnishee's liability in whole or in part.

100 (6) A creditor who files a motion for an order to show cause under this section shall
 101 attach to the motion a statement that the creditor has in good faith conferred or attempted to
 102 confer with the garnishee in an effort to settle the issue without court action.

103 (7) A person is not liable as a garnishee for drawing, accepting, making, or endorsing a
 104 negotiable instrument if the instrument is not in the possession or control of the garnishee at
 105 the time of service of the ~~§~~→ [writ of] administrative ←~~§~~ garnishment ~~§~~→ order ←~~§~~ .

106 (8) (a) A person indebted to the defendant may pay to the office the amount of the debt
 107 or an amount to satisfy the administrative garnishment.

108 (b) The office's receipt of an amount described in Subsection (8)(a) discharges the
 109 debtor for the amount paid.

110 (9) A garnishee may deduct from the property any liquidated claim against the
 111 defendant.

112 (10) (a) If a debt to the garnishee is secured by property, the office:

113 (i) is not required to apply the property to the debt when the office issues the ~~§~~→ [writ of
 114 garnishment] administrative garnishment order ←~~§~~ ; and

115 (ii) may obtain a court order authorizing the office to buy the debt and requiring the
 116 garnishee to deliver the property.

117 (b) Notwithstanding Subsection (10)(a)(i):

118 (i) the ~~§~~→ [writ of garnishment] administrative garnishment order ←~~§~~ remains in effect;

118a and

119 (ii) the office may apply the property to the debt.

120 (c) The office or a third party may perform an obligation of the defendant and require

121 the garnishee to deliver the property upon completion of performance or, if performance is
 122 refused, upon tender of performance if:

123 (i) the obligation is secured by property; and

124 (ii) (A) the obligation does not require the personal performance of the defendant; and

125 (B) a third party may perform the obligation.

126 (11) (a) The office may issue a $\hat{S} \rightarrow$ [writ of] $\leftarrow \hat{S}$ continuing garnishment $\hat{S} \rightarrow$ order $\leftarrow \hat{S}$

126a against a nonexempt

127 periodic payment.

128 (b) (i) This section is subject to $\hat{H} \rightarrow$ the Utah Exemptions Act. [an applicable exemption

128a established in Section

129 78B-5-505.

130 ~~—— (ii) If there is a conflict between a provision in this section and a provision in this part,~~

131 ~~the provision in the part governs.] $\leftarrow \hat{H}$~~

132 (c) A $\hat{S} \rightarrow$ [writ of] $\leftarrow \hat{S}$ continuing garnishment $\hat{S} \rightarrow$ order $\leftarrow \hat{S}$ issued in accordance with
 132a this section applies to

133 payments to the defendant from the date of service upon the garnishee until the earlier of the

134 following:

135 (i) the last periodic payment;

136 (ii) the judgment $\hat{S} \rightarrow$ [or administrative order] $\leftarrow \hat{S}$ upon which the $\hat{S} \rightarrow$ [writ of
 136a garnishment] administrative garnishment order $\leftarrow \hat{S}$ is issued

137 is stayed, vacated, or satisfied in full; or

138 (iii) the office releases the $\hat{S} \rightarrow$ [writ] order $\leftarrow \hat{S}$.

139 (d) No later than seven days after the last day of each payment period, the garnishee

140 shall with respect to that period:

141 (i) answer each interrogatory;

142 (ii) serve an answer to each interrogatory on the office, the defendant, and any other

143 person who has a recorded interest in the property; and

144 (iii) deliver the property to the office.

145 (e) If the office issues a $\hat{S} \rightarrow$ [writ of] $\leftarrow \hat{S}$ continuing garnishment $\hat{S} \rightarrow$ order $\leftarrow \hat{S}$ during

145a the term of $\hat{S} \rightarrow$ [another] a $\leftarrow \hat{S}$ writ

146 of continuing garnishment $\hat{S} \rightarrow$ issued by the district court $\leftarrow \hat{S}$, the $\hat{S} \rightarrow$ [writ] order $\leftarrow \hat{S}$ issued

146a by the office:

147 (i) is tolled when a writ of garnishment or other income withholding is already in effect

148 and is withholding greater than or equal to the maximum portion of disposable earnings

149 described in Subsection (12);

150 (ii) is collected in the amount of the difference between the maximum portion of

151 disposable earnings described in Subsection (12) and the amount being garnished by $\hat{S} \rightarrow$ [the other]

151a an existing ←§