



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5680 (Substitute H-2 as passed by the House)
Sponsor: Representative Mary Ann Middaugh
House Committee: Judiciary
Senate Committee: Judiciary

Date Completed: 9-28-04

CONTENT

The bill would amend the Revised Judicature Act to protect from garnishment a defendant's money earned from personal work and labor that was held in a bank account, as long as the defendant complied with a court order or written agreement between the parties for installment payments. Money due under a garnishment that had been filed and served before the filing of the petition for installment payments would not be protected.

Currently, the Act prohibits the garnishment of any money due or to become due for the personal work and labor of the defendant upon a judgment made payable in installments either by court order or agreement of parties, except upon the written order of the judge. Any writ of garnishment issued without the order is void. The order may be made following due notice to the defendant if installments are due.

Under the bill, if a court had ordered that a judgment was payable in installments or if a signed, written agreement were filed with the clerk of court under Section 6225 (which gives an agreement signed by the parties, their attorneys, or authorized agents the same effect as a judge's order), money due or to become due for the personal work and labor of the defendant and money from the personal work of the defendant in an account with a bank or other financial institution would not be subject to garnishment. A writ of garnishment specifically issued against money or a right to receive money ordered payable in installments would be void, except as to money due under a garnishment filed and served before the petition for installment payments was filed.

A judge could issue a written order allowing the garnishment of money or a right to receive the money from the judgment or written agreement if the installments on a judgment or written agreement were overdue, after the defendant was notified.

MCL 600.6215 et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.