

Legislative Analysis



COLLECTING ON JUDGMENTS: RESTRICT ASSETS THAT CAN BE GARNISHED

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House Bill 5680

Sponsor: Rep. Mary Ann Middaugh

Committee: Judiciary

Complete to 6-21-04

A SUMMARY OF HOUSE BILL 5680 AS INTRODUCED 3-23-04

When a plaintiff wins a civil action and the defendant is ordered to pay a judgment, the defendant can petition the court to allow him or her to pay the judgment in installments; the petition has to be supported by an affidavit documenting his or her inability to pay the judgment with funds other than those earned as wages. A defendant and plaintiff can also enter into a written agreement regarding installment payments to pay the judgment; these agreements carry the same force of law as a court order. As long as the defendant continues to make the installment payments as specified in the court order, the order acts as a stay against the defendant's wages being garnished. Wages can only be garnished upon written order of a judge.

House Bill 5680 would amend Chapter 62, entitled "Installment Judgments", of the Revised Judicature Act to also protect a defendant's money in a bank account or account with another financial institution, as well as a state tax refund or installment or a tax credit, from garnishment to repay a judgment as long as the defendant continued to comply with the court order for installment payments.

If the installment payments were overdue, and after the defendant was sent notice, a judge could issue a written order allowing the garnishment of money or a right to receive money from wages, in an account in a bank or other financial institution, or from a tax refund or credit.

MCL 600.6215, 600.6231, and 600.6245

FISCAL IMPACT:

The bill would have no significant impact on the judiciary.

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