

STATEMENT OF PURPOSE

RS27647 / H0460

This legislation seeks to amend Idaho law governing a narrow subset of garnishment orders.

Current law requires a creditor with a valid court-ordered garnishment to use the local county sheriff to serve the order on the bank or employer of the person being garnished. Idaho is the only state in our region to require that garnishment orders be served by a sheriff. Sheriffs are allowed to charge for the service and fees currently range from \$40 up to over \$150, all paid by the debtor. Sheriffs also collect fees on each of the payments they collect.

This bill allows for a creditor's attorney to serve garnishments on the employer or bank. Specifically, this legislation also:

- Allows banks to establish designated electronic filing service to ease operations and reduce costs;
- Creates clarity for employers by codifying that an employee's wages can have only one garnishment at a time, and is determined "first come, first served;"
- Requires an attorney serving an order to use their client trust account (which are heavily regulated) to hold and process payments; and
- Reduces fees for debtors if this new process is used by capping collections fees at \$20, and prohibits any fees if service is done via email.

FISCAL NOTE

There is no impact to the state general fund because this bill applies to laws governing a county-level process.

There should also not be an impact on county funds. Fees for garnishments are paid by debtors and go to the county sheriff. Current law requires that sheriffs charge only actual costs for the service, so removing the requirement that they service wage and bank garnishment should have no impact on their budgets.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).