

1 SB504
2 131745-2
3 By Senators Sanford, Bussman and Pittman
4 RFD: Judiciary
5 First Read: 24-MAY-11

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8 SYNOPSIS: Existing law does not allow a garnishee to
9 retain a portion of the funds withheld from the
10 wages, salaries, or other compensation of a
11 defendant pursuant to a Process or Writs of
12 Garnishment as a processing fee.

13 This bill would allow a garnishee to retain
14 a portion of the funds it withholds from the wages,
15 salaries, or other compensation of a defendant
16 pursuant to a Process or Writs of Garnishment as a
17 processing fee.

18
19 A BILL
20 TO BE ENTITLED
21 AN ACT

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23 To amend Section 6-10-7, Code of Alabama 1975,
24 relating to the garnishment of the wages, salaries, or other
25 compensation of a defendant; to allow a garnishee to retain a
26 portion of the funds it withholds from the wages, salaries, or

1 other compensation of a defendant pursuant to a Process or
2 Writs of Garnishment as a processing fee.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 6-10-7, Code of Alabama 1975, is
5 amended to read as follows:

6 "§6-10-7.

7 "(a) The wages, salaries, or other compensation of
8 laborers or employees, residents of this state, for personal
9 services, shall be exempt from levy under writs of garnishment
10 or other process for the collection of debts contracted or
11 judgments entered in tort in an amount equal to 75 percent of
12 such wages, salaries, or other compensation due or to become
13 due to such laborers or employees, and the levy as to such
14 percentage of their wages, salaries, or other compensation
15 shall be void. The court issuing the writ or levy shall show
16 thereon the amount of the claim of the plaintiff and the court
17 costs in the proceedings. If at any time during the pendency
18 of the proceedings in the court a judgment is entered for a
19 different amount, then the court shall notify the garnishee of
20 the correct amount due by the defendant under the writ or
21 levy. The garnishee shall retain 25 percent of the wages,
22 salaries, or other compensation of the laborer or employee
23 during the period of time as is necessary to accumulate a sum
24 equal to the amount shown as due by the court on the writ or
25 levy. Should the employment of the defendant for any reason be
26 terminated with the garnishee, then the garnishee shall not
27 later than 15 days after the termination of employment, report

1 the termination to the court and pay into court all sums
2 withheld from the defendant's wages, salaries, or other
3 compensation. If the plaintiff in garnishment contests the
4 answer of the garnishee, as now provided by law in such cases,
5 and proves to the court the deficiency or untruth of the
6 garnishee's answer, the court shall enter judgment against the
7 garnishee for such amount as would have been subject to the
8 order of condemnation had the sum not been released to the
9 defendant.

10 "(b) The garnishee shall, after a period of 30 days
11 from the first retention of any sum from the defendant's
12 wages, salaries, or other compensation, commence paying the
13 funds into court, as they are deducted or withheld and
14 continue to do so on a monthly or more frequent basis until
15 the full amount is withheld. Upon receipt by the court of a
16 written request by the plaintiff, the court may enter an order
17 of condemnation of said funds received and thereupon disburse
18 the same to the plaintiff.

19 "(c) The garnishee, each time it withholds funds
20 from the wages, salaries, or other compensation of a defendant
21 pursuant to a Process or Writs of Garnishment, may retain up
22 to five dollars (\$5) from the fund as a processing fee."

23 Section 2. This act shall become effective on the
24 first day of the third month following its passage and
25 approval by the Governor, or its otherwise becoming law.