

HOUSE BILL No. 1482

DIGEST OF INTRODUCED BILL

Citations Affected: IC 34-55-8-7; IC 35-52-34-5.

Synopsis: Wage garnishment. Requires a judgment debtor to notify the court within 90 days of a change in certain circumstances. Provides that a judgment debtor who fails to notify the court within 90 days commits a Class C misdemeanor.

Effective: July 1, 2021.

Morris, Speedy, Baird

January 14, 2021, read first time and referred to Committee on Judiciary.



First Regular Session of the 122nd General Assembly (2021)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2020 Regular Session of the General Assembly.

HOUSE BILL No. 1482

A BILL FOR AN ACT to amend the Indiana Code concerning civil procedure.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 34-55-8-7, AS AMENDED BY P.L.78-2014,
2 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2021]: Sec. 7. (a) Except as provided in subsection (b), after
4 a hearing of which the judgment debtor has been notified, the court
5 may order:
6 (1) any property, income, or profits of the judgment debtor not
7 exempt from execution or process, in the hands either of the
8 judgment debtor or of any other person; or
9 (2) any debt due to the judgment debtor;
10 to be applied to the satisfaction of the judgment and forbid transfers of
11 property and choses in action.
12 (b) If the judgment debtor has failed to comply with an agreed order
13 in the action, after a hearing of which the judgment debtor has been
14 notified, the court shall order:
15 (1) any property, income, or profits of the judgment debtor not
16 exempt from execution or process, in the hands either of the
17 judgment debtor or of any other person; or



1 (2) any debt due to the judgment debtor;
2 to be applied to the satisfaction of the judgment and forbid transfers of
3 property and choses in action.

4 (c) The judge shall order that:

5 (1) the judgment or execution is a continuing lien upon the
6 income or profits of the judgment debtor in the hands either of the
7 judgment debtor or any other person, governmental officer, or
8 corporation from the date the order is served upon the person,
9 governmental officer, or corporation indebted to the judgment
10 debtor to the extent that the lien, together with all similar liens, is
11 permitted under IC 24-4.5-5-105; and

12 (2) the court may enforce all orders and decrees in the premises,
13 by attachment or otherwise.

14 (d) A court in an action for proceedings supplementary to execution
15 shall issue an order directing a depository financial institution (as
16 defined in IC 28-9-2) to place a hold on a deposit account in which the
17 judgment debtor has an interest, either individually or jointly with
18 another person, whenever the conditions prescribed under
19 IC 28-9-3-4(d)(1) through IC 28-9-3-4(d)(3) are met. An order issued
20 under this subsection:

21 (1) is subject to the limitations as to duration of the restriction and
22 the amount to be restricted as specified under IC 28-9-4-2; and

23 (2) may be terminated or modified to reflect valid exemptions of
24 a depositor that the court has considered.

25 (e) If an order for the placing of a hold on a deposit account is
26 issued under subsection (d), a person whose deposit account is affected
27 may request a hearing from the court on the matter of:

28 (1) the person's right to claim certain funds in the person's deposit
29 account as exempt from garnishment; and

30 (2) whether the hold should be removed by the court.

31 (f) If a court receives a request for a hearing under subsection (e),
32 the court shall hold a hearing on the matter within five (5) days
33 (excluding Saturdays, Sundays, and legal holidays) after the court
34 receives the request.

35 (g) If a person whose deposit account is affected by the order issued
36 under subsection (d) files an affidavit with the court stating that the
37 funds in the account are exempt from garnishment, the court may issue
38 an order releasing the hold on the account without first conducting a
39 hearing.

40 (h) If a court has issued a garnishment order to a third party and the
41 garnishment order no longer applies to the third party due to a change
42 in circumstances, the court may cancel the garnishment order and issue



1 a new garnishment order to an appropriate third party, if all of the
2 following conditions are met:

3 (1) The court has issued a garnishment order under subsection (a)
4 or (b) with respect to a judgment debtor's income or profits in the
5 hands of a third party.

6 (2) The judgment constitutes a continuing lien under subsection
7 (c).

8 (3) Due to a change in circumstances, including a change of
9 employment, the judgment debtor's income or profits are in the
10 hands of a new third party not named in the garnishment order.

11 (4) **The court is notified pursuant to subsection (i) or (j). The**
12 **judgment creditor files a petition:**

13 (A) ~~notifying the court of the matters described in subdivisions~~
14 ~~(1) through (3); and~~

15 ~~(B) informing the court of the name, address, and other~~
16 ~~relevant information concerning the new third party holding~~
17 ~~the judgment debtor's income and profits.~~

18 A court may issue a new garnishment order under this subsection
19 without holding a hearing.

20 **(i) A judgment debtor has an obligation to inform the court of**
21 **a change in circumstances, including a change of employment as**
22 **described in subsection (h).**

23 **(j) Notwithstanding a judgment debtor's obligation under**
24 **subsection (i), a judgment creditor may file a petition:**

25 **(1) notifying the court of the matters described in subsection**
26 **(h)(1) through (h)(3); and**

27 **(2) informing the court of the name and address of, and other**
28 **relevant information concerning, the new third party holding**
29 **the judgment debtor's income and profits;**

30 **so that the court may issue a new garnishment order under**
31 **subsection (h) without holding a hearing.**

32 **(k) A judgment debtor who fails to inform the court within**
33 **ninety (90) days of either a change of employment or a notice of**
34 **termination of previous employment commits a Class C**
35 **misdemeanor.**

36 SECTION 2. IC 35-52-34-5 IS ADDED TO THE INDIANA CODE
37 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
38 1, 2021]: **Sec. 5. IC 34-55-8-7 defines a crime concerning a debtor's**
39 **obligation to inform the court.**

