

SENATE BILL 56

D3
SB 512/17 – JPR

(PRE-FILED)

8lr1213

By: **Senator Norman**

Requested: November 15, 2017

Introduced and read first time: January 10, 2018

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Civil Actions and Procedures – Garnishments – Spousal Property**

3 FOR the purpose of providing that a garnishment against property held in a certain joint
4 account is valid unless the persons named on the account were married prior to the
5 date of a certain entry of judgment; establishing a presumption that a garnishment
6 against certain property held jointly by spouses in certain financial institutions is
7 valid unless, within a certain time period, either spouse files a motion objecting to
8 the garnishment and serves a copy of the motion on certain persons; making a
9 technical correction; and generally relating to garnishments against property held
10 jointly by spouses.

11 BY repealing and reenacting, with amendments,
12 Article – Courts and Judicial Proceedings
13 Section 11–603
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2017 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
17 That the Laws of Maryland read as follows:

18 **Article – Courts and Judicial Proceedings**

19 11–603.

20 (a) (1) Except as provided in [paragraph (2)] **PARAGRAPHS (2) AND (3)** of
21 this subsection, a garnishment against property held jointly by [husband and wife]
22 **SPOUSES**, in a bank, trust company, credit union, savings bank, or savings and loan
23 association or any of their affiliates or subsidiaries is not valid unless both owners of the
24 property are judgment debtors.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) Paragraph (1) of this subsection does not apply unless [the]:

2 **(I) THE** property is held in an account that was established as a
3 joint account prior to the date of entry of judgment giving rise to the garnishment; **AND**

4 **(II) THE PERSONS NAMED ON THE ACCOUNT WERE MARRIED**
5 **PRIOR TO THE DATE OF ENTRY OF JUDGMENT GIVING RISE TO THE GARNISHMENT.**

6 **(3) A GARNISHMENT AGAINST PROPERTY DESCRIBED IN PARAGRAPH**
7 **(1) OF THIS SUBSECTION IS PRESUMED TO BE VALID UNLESS, WITHIN 30 DAYS AFTER**
8 **SERVICE OF THE WRIT OF GARNISHMENT ON THE GARNISHEE, EITHER SPOUSE:**

9 **(I) FILES A MOTION OBJECTING TO THE GARNISHMENT; AND**

10 **(II) SERVES A COPY OF THE MOTION ON THE JUDGMENT**
11 **CREDITOR, THE GARNISHEE, AND ANY OTHER PERSON NAMED ON THE ACCOUNT.**

12 (b) (1) A garnishment against property held in a bank, trust company, credit
13 union, savings bank, or savings and loan association, or any of their affiliates or
14 subsidiaries, by one person in trust for that person and another person or persons, is not
15 valid unless all of the persons are judgment debtors.

16 (2) A garnishment against property held in a bank, trust company, credit
17 union, savings bank, or savings and loan association, or any of their affiliates or
18 subsidiaries, by one or more persons in trust for another person or persons, is not valid
19 unless all of the persons are judgment debtors.

20 (3) A garnishment against property held in a bank, trust company, credit
21 union, savings bank, or savings and loan association, or any of their affiliates or
22 subsidiaries, to be payable on the death of one or more persons to another person or persons,
23 is not valid unless all of the persons are judgment debtors.

24 (c) (1) Notwithstanding subsections (a) and (b) of this section and regardless
25 of the relationship between or among the persons, if property held in an account in the
26 name of 2 or more persons at a bank, trust company, credit union, savings bank, or savings
27 and loan association or any of their affiliates or subsidiaries is garnished, and fewer than
28 all of the persons named on the account are the judgment debtors, the garnishee may
29 answer the writ of garnishment by stating:

30 (i) That the property is held in an account at the garnishee in the
31 name of 2 or more persons, 1 or more of whom but fewer than all of whom, are judgment
32 debtors; and

33 (ii) The amount held in the account at the time the writ of
34 garnishment was served on the garnishee.

1 (2) If the garnishee answers as described in paragraph (1) of this
2 subsection, the garnishee shall hold the lesser of the amount of the judgment or the amount
3 in the account subject to an entry of a court order releasing the property held by the
4 garnishee or a final judgment in the garnishment proceeding.

5 (3) If the garnishee answers and holds property as provided under
6 paragraphs (1) and (2) of this subsection, the garnishee may not be held liable to the
7 judgment creditor or to any person named on the account for wrongful dishonor or for any
8 other claim relating to the garnishment.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2018.