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Judicial Proceedings Committee

Executive Nominations Committee

Joint Committees

Administrative, Executive, and
Legislative Review

Children, Youth, and Families

Senate Chair
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Baltimore County Senate Delegation

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony for SB 106
Courts – Judgments – Exemptions from Execution
Before the Judicial Proceedings Committee
January 25, 2023**

Good afternoon Chair Smith, members of the Judicial Proceedings Committee,

Today we revisit a matter we heard last session regarding an issue that would affect over 50% of Maryland residents – state garnishment exemption.¹ In previous testimony given in favor of similar legislation, specific stories of constituents who found themselves in a predicament with holds on accounts that contained money for groceries, or daily living, demonstrates the import and need for this bill, firsthand.² When HB 322 was introduced last session, there was strong discord between the witnesses as to what sort of financial availability some Marylanders have, and the awareness of our constituents to invoke an exemption in the case of a debtor ruling. SB 106 is meant to address the issues raised and to return us to a necessary conversation.

While it is true that Maryland already provides a \$6000 asset protection in instances of garnishment, with the goal of protecting families from financial ruin¹ this \$6000 exemption can only protect certain types of property, choosing to protect a portion of your car, house, bank account, and assets. The caveat here is that most Marylanders do not know they have this protection, nor do they know that there is election process to access this protection.

Currently these protections are not self-executing. Typically, people affected would have no knowledge of the exemption, leaving them susceptible to the fact that “the creditor can take up to 100% of the contents of their bank account.”³ These issues perpetuate the cycle of poverty, and SB 106 will help alleviate at least a portion of this issue. SB 106 modifies Section 11-504 with specific

¹ Maryland Consumer Rights Coalition. Marceline White Testimony for HB 322. February 9, 2022.

² Maryland Volunteer Lawyers Service. Amy Hennen Testimony for HB 322. N.d. MVLS also cited statistics showing that debt collection disproportionately affects people of color, who are female,” earning less than half of the Maryland median income,” with no degree, and dependents.

³ Maryland Volunteer Lawyers Service. Amy Hennen Testimony for HB 322. N.d.

language providing an automatic exemption for \$500 “in a deposit account or other account of the debtor’s choice.”

Senate Bill 106 integrates all the points noted in the initial conversation surrounding HB 322. Overall, 39% of Maryland families are struggling under financial burden, and find it hard to make do in the very necessities that are basic to life.⁴ This legislation is a solution to help Marylanders who will not be able to answer a \$500 asset hold and would have to use credit or have a zeroing out of their account.

For these reasons, I ask you to vote favorably in support SB 106.

⁴ Consumer Credit Counseling Service of Maryland and Delaware. Helene Raynaud Testimony for HB 322. February 9, 2022.