

**Department of Legislative Services**  
Maryland General Assembly  
2025 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 31  
Finance

(Senator Ellis)

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**Commercial Law - Attachment of Wages - Exemptions (Exempt Income Protection Act)**

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This bill alters the amount of wages of a judgment debtor that are exempt from attachment. Under the bill, the following is exempt from attachment: the greater of 75% of the disposable wages *and Social Security, disability, or unemployment benefits* due; or 150% of the federal poverty level for weekly income (as determined by the U.S. Department of Health and Human Service for the applicable household size) multiplied by the number of weeks during which the wages due were earned. The bill also requires an employer served with an attachment to notify the judgment debtor in writing of (1) the amount of wages exempt from attachment; (2) the method used to calculate the amount of attachable wages; and (3) the procedure by which the judgment debtor may contest the attachment under Maryland court rules related to wage garnishment. **The bill takes effect July 1, 2025.**

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**Fiscal Summary**

**State Effect:** Potential decrease in general fund revenues due to the bill's changes to the amount of wages exempt by law from attachment. The bill can otherwise be implemented with existing resources.

**Local Effect:** Local revenues may decrease due to the greater value of wages exempt from attachment. Expenditures are not affected.

**Small Business Effect:** Potential meaningful.

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## Analysis

**Current Law:** The following is exempt from attachment: the greater of 75% of the disposable wages due; or 30 times the State minimum hourly wage in effect at the time the wages are due, multiplied by the number of weeks during which the wages due were earned.

Any medical insurance payment deducted from an employee's wages by the employer are exempt. The amount subject to attachment must be calculated per pay period.

### *Duties of Employer*

While the attachment remains a lien, the employer/garnishee must withhold all attachable wages payable to the judgment debtor and remit the amount withheld to the judgment creditor (or the individual's legal representative) within 15 days after the close of the last pay period in each month. If the employer/garnishee is served with more than one attachment against the same judgment debtor, then the attachments must be satisfied in the order in which they were served, and each prior attachment must be satisfied before any effect can be given to a subsequent attachment.

**State/Local Fiscal Effect:** General fund and local revenues may decrease due to the increased value of wages exempt from wage attachments and reduced tax revenues as a result. The Comptroller's Office uses wage attachments to collect on tax arrearages. However, the Comptroller's Office has historically advised that it does not have data on which to base an exact estimate. The bill is not expected to have a significant fiscal or operational impact on the District Court.

**Small Business Effect:** Small businesses that offer goods or services on credit and pursue debt collection through wage attachments may be affected due to the bill's alterations to the amount of wages exempt from attachment. Additionally, small businesses with employees subject to wage garnishment must make the required notifications to any affected employee (*i.e.*, by providing the employee with the information specified in the bill).

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## Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 393 (Delegate Queen) - Economic Matters.

**Information Source(s):** Office of the Attorney General (Consumer Protection Division); Comptroller's Office; Judiciary (Administrative Office of the Courts); Department of Legislative Services

**Fiscal Note History:** First Reader - January 26, 2025  
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