



SB 31 - Commercial Law - Attachment of Wages - Exemptions (Exempt Income Protection Act)

Senate Finance Committee

January 30, 2025

OPPOSE

Chair Beidle, Vice-Chair and members of the committee thank you for the opportunity to submit testimony in respectful opposition to Senate Bill 31. This bill will effectively roll back wage protections for low-income households and families living paycheck to paycheck

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

The CASH Campaign of Maryland promotes economic advancement for low-to-moderate income individuals and families in Baltimore and across Maryland. CASH accomplishes its mission through operating a portfolio of direct service programs, building organizational and field capacity, and leading policy and advocacy initiatives to strengthen family economic stability. CASH and its partners across the state achieve this by providing free tax preparation services through the IRS program 'VITA', offering free financial education and coaching, and engaging in policy research and advocacy. **Almost 4,000 of CASH's tax preparation clients earn less than \$10,000 annually. More than half earn less than \$20,000.**

SB 31 alters the way in which wages are protected from garnishment. In 2020, this committee and the General Assembly passed HB0365/SB425 which updated debt exemption in Maryland for the first time in more than 30 years to allow individuals to keep the greater of 75% of wages or 30 times the Maryland minimum wage.

SB 31 would shift the calculation of wages that are exempt from garnishment. SB 31 would retain the 75% of disposable wages but strike 30 times the Maryland minimum wage and replace it with 150% of the federal poverty level for weekly income based on the household size.

SB 31 provides a modest \$20 increase in protection from current law but in practice would make it difficult for families to receive that \$20 increase. To prove household size, the debtor would have to go to court or somehow attest or otherwise prove household size. Essentially, fewer families would receive the \$20 increase, and the majority of low-income households would see a reduction in protections.

For these reasons, we respectfully oppose SB 31 and urge an unfavorable report.

Creating Assets, Savings and Hope