

# HOUSE BILL 629

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By: **Delegates Norman, Carr, Gilchrist, Jacobs, Niemann, S. Robinson, and Stein**

Introduced and read first time: February 1, 2013

Assigned to: Judiciary

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## A BILL ENTITLED

1 AN ACT concerning

2 **Courts – Garnishment of Joint Account – Burden of Proof**  
3 **(Bank Customer Protection Act)**

4 FOR the purpose of establishing that an account holder has the burden of proving that  
5 a garnishment against property held in a certain joint account is not valid; and  
6 generally relating to the garnishment of joint accounts.

7 BY repealing and reenacting, with amendments,  
8 Article – Courts and Judicial Proceedings  
9 Section 11–603  
10 Annotated Code of Maryland  
11 (2006 Replacement Volume and 2012 Supplement)

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

14 **Article – Courts and Judicial Proceedings**

15 11–603.

16 (a) (1) Except as provided in paragraph (2) of this subsection, a  
17 garnishment against property held jointly by husband and wife, in a bank, trust  
18 company, credit union, savings bank, or savings and loan association or any of their  
19 affiliates or subsidiaries is not valid unless both owners of the property are judgment  
20 debtors.

21 (2) Paragraph (1) of this subsection does not apply unless the property  
22 is held in an account that was established as a joint account prior to the date of entry  
23 of judgment giving rise to the garnishment.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

32 **(D) AN ACCOUNT HOLDER HAS THE BURDEN OF PROVING THAT A**  
33 **GARNISHMENT AGAINST PROPERTY HELD IN AN ACCOUNT IN THE NAME OF THE**  
34 **ACCOUNT HOLDER AND ONE OR MORE PERSONS AT A BANK, TRUST COMPANY,**  
35 **CREDIT UNION, SAVINGS BANK, OR SAVINGS AND LOAN ASSOCIATION, OR ANY OF**  
36 **THEIR AFFILIATES OR SUBSIDIARIES, IS NOT VALID.**

37 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
38 October 1, 2013.

