

SENATE BILL 397

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6lr0320

By: **Senators Norman and Salling**

Introduced and read first time: January 29, 2016

Assigned to: Judicial Proceedings

Committee Report: Favorable

Senate action: Adopted

Read second time: February 29, 2016

CHAPTER _____

1 AN ACT concerning

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

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

9 BY repealing and reenacting, with amendments,
10 Article – Courts and Judicial Proceedings
11 Section 11–603
12 Annotated Code of Maryland
13 (2013 Replacement Volume and 2015 Supplement)

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

16 **Article – Courts and Judicial Proceedings**

17 11–603.

18 (a) (1) Except as provided in [paragraph 2] **PARAGRAPHS (2) AND (3)** of this
19 subsection, a garnishment against property held jointly by [husband and wife] **SPOUSES**,
20 in a bank, trust company, credit union, savings bank, or savings and loan association or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 any of their affiliates or subsidiaries is not valid unless both owners of the property are
2 judgment debtors.

3 (2) Paragraph (1) of this subsection does not apply unless the property is
4 held in an account that was established as a joint account prior to the date of entry of
5 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, 2016.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.