

HCS HB 1870 -- GARNISHMENTS

SPONSOR: Roberts

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Financial Institutions by a vote of 15 to 0. Voted "Do Pass" by the Standing Committee on Rules-Administrative by a vote of 5 to 1.

The following is a summary of the House Committee Substitute for HB 1870.

Under current law, whenever an execution against the property of any judgment debtor must be returned unsatisfied, within five years of the return, the judgment creditor may be entitled to an order by the court rendering such judgment, requiring the judgment debtor to undergo an examination on the ability and means to satisfy the judgment, and in the case of neglect or refusal, issuing a writ of attachment and punishing the judgment debtor for contempt. This bill provides a judgment creditor must, upon motion made at any time before the judgment is satisfied of record and presumed paid, be entitled to such orders.

Additionally, under current law, a judgment debtor can be granted immunity from prosecution by any prosecuting or circuit attorney for statements made at a judgment debtor's examination. This bill instead requires a judgment debtor to enjoy full use and derivative immunity and provides that no testimony in an examination can be used against a witness, except in cases of perjury or for giving false statements.

The bill exempts a person's interest in property from attachment and execution as follows:

- (1) Household furnishings and goods, apparel, appliances, books, animals, crops, or musical instruments, held for personal, family, or household use from the current amount of \$3,000 to \$15,000 in value in the aggregate;
- (2) A wedding ring not exceeding \$1,500 in value and jewelry held for personal, family or household use from the current amount of \$500 to \$1,700 in value in the aggregate;
- (3) Any property of any kind from the current amount of \$600 to \$1,700 in the aggregate;

(4) Any tools, equipment, or professional materials needed for the person's occupation or the occupation of a dependent of \$3,000;

(5) Any motor vehicles from the current amount of \$3,000 to \$5,000, and can be increased to the unused amount allowed for household furnishings, etc. listed in (1) above, not to exceed an additional \$10,000;

(6) A mobile home used as a residence, from the current amount of \$5,000 to \$12,000.

The bill amends the current amount of homestead allowed of every person, from the current aggregate value of \$15,000 to \$40,000.

This bill provides that the maximum value for the property that is exempted from attachment and execution and the amount of a homestead exemption must be adjusted by the Revisor of Statutes every three years beginning April 1, 2029.

This bill outlines orders of garnishment issued for the purpose of attaching to account funds held by a "financial institution", as such term is defined in the bill. Such orders must attach on the date of service, provided that the effective date of service is a banking day and made prior to the business cutoff time, in which case it will attach the next business day. If an account receives electronic deposits for exempted funds, the attachment date must be the date and banking day that the financial institution applies for the look-back analysis. Additionally, where there are two or more accounts, the amount can be withheld from any of the accounts identified in the order and attachment dates between the accounts can be different depending on the look-back analysis.

If the account is held in joint tenancy with an individual not subject to the order of garnishment, the entire amount must be withheld. Furthermore, the garnishee will not be liable to the joint owners if the funds are later proven to be not of the judgment debtors.

The return date for orders of garnishment must not be less than 30 days from the effective date of service. This bill also provides certain information to be included in orders of garnishment for funds held by financial institutions.

No party will seek a garnishment of account funds held by a financial institution unless there is a good-faith belief that

the party to be served with the garnishment has, or will have, account assets of the judgment debtor. No more than one garnishment for the same claim and against the same judgment debtor will be issued within any 30-day period, unless exempted by court order, as detailed in the bill.

Furthermore, a financial institution does not have a duty to investigate or assert the defenses of a judgment debtor. A financial institution served with an order of garnishment and interrogatories must answer within 20 days and will release funds to the judgment debtor 60 days after an answer is submitted, or sooner if required under an order to pay or paid into the court. A financial institution is not required to respond to interrogatories not related to account funds.

The provisions of this bill relating to orders of garnishment for funds held by financial institutions must be effective on January 1, 2028, and authorizes the Missouri Supreme Court to adopt rule amendments or issue a specific rule and forms to implement this Section. The provisions of the bill relating to the attachment and execution have a delayed effective day of January 1, 2027.

This bill is similar to SB 835 (2026) and HB 275 (2025).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROponents: Supporters say that the bill updated the exemption amounts based off inflation. The bill's homestead provision protects the homeowner. The bill outlines guidelines for financial institutions to no longer participate in customer disputes regarding garnishments for joint bank accounts.

Testifying in person for the bill were Representative Roberts; Missouri Bankers Association; and Missouri Independent Bankers Association.

OPponents: Those who oppose the bill say that this bill could lead to bad faith fraud or transactions through garnishments. This bill could also lead to the dissolution of equitable garnishments.

Testifying in person against the bill were Gabe Harris, Missouri Association Of Trial Attorneys.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.