



Legislative Fiscal Bureau

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February 10, 2016

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 872: Garnishment Fees

On February 5, 2016, Assembly Bill 872 was introduced and referred to the Joint Committee on Finance.

SUMMARY OF BILL

The 2015-17 biennial budget act, Act 55, included a provision to allow non-governmental employers to receive a \$3 fee for each payment delivered to the creditor for earnings garnishments. Prior to the Act 55 provision, employers (private and governmental) were paid a \$15 initial fee from creditors for the first earnings garnishment. In addition to the \$15 initial fee, governmental employers received a \$3 fee for each subsequent payment for earnings garnishments. Act 55 provided that private employers could also receive the \$3 fee for subsequent payments.

The bill would clarify that the \$3 fee would be applied to each payment after the initial payment, and not be paid at the commencement of the garnishment action by the creditor.

FISCAL EFFECT

The bill does not appropriate funding. Since fees paid under the bill affect individual creditors and garnishees, revenues to the state are not impacted.

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