## CHAPTER 267.

## GARNISHMENT.

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<b>267.01</b> Garnishment, definitions, conditions, exceptions. (1) Any creditor may pro-			

ceed against any person (except a municipal corporation) who shall be indebted to or have any property in his possession or under his control belonging to such creditor's debtor, in the cases, upon the conditions and in the manner prescribed in this chapter. The term plaintiff is used in this chapter to embrace a judgment creditor, and the term defendant a judgment debtor.

(2) Except as otherwise provided in this chapter, the procedure in garnishee actions shall be the same as in ordinary civil actions.

(3) At any time after the summons is issued in an action for damages, founded upon contract, or an action mentioned in section 266.03 or an action upon a judgment, or when an execution against property has issued or is issuable, the plaintiff may commence a garnishee action.

(5) No garnishee action shall be brought to recover the price or value of spirituous. malt, ardent or intoxicating liquors sold at retail. [1935 c. 541 s. 93, 94; 1939 c. 513 s. 51: Supreme Court Order, effective Jan. 1, 1940]

malt, ardent or intoxicating liquors sold at retail. [1935 c. 541 s. 93, 94; 1939 c. 513 s. 51; Supreme Court Order, effective Jan. 1, 1940] Tores Reference; See 66:11 (3), providing that no person shall be liable as garnishee of a public corporation. Revisor's Note, 1935; The revision of chapter 267 is to make it in form, which it is in fact, i.e. an action. (3) is from 267.03 (1). (BH No. 60 S. s. 93) Where the proceeds of fire insurance pol-icies under the terms of a trust deed are security for the restoration of mortgaged buildings and the mortgaged debt, restora-tion of the buildings by the mortgage at his own expense does not subject such pro-ceeds to the claims of creditors. Connors v. Aaron, 207 W 115, 240 NW 821. The amount payable to the wildow under to women same rights and privileges as men in the making of contracts. (Ellison v. Straw, 116 W 207, 92 NW 1094, distin-furs Wisconsin Nat. Bank v. Strelitz, 200 W 335, 245 NW 74. The mortgaged sorp to the canning company with the understanding that he should turn over the proceeds to the mortgage, glen, but operated as an equitable for the mortgagers gesconal promots for the mortgagers gesconal proceeds were mot substitute the mortgagers gesconal proceeds were mot substitute the mortgagers gesconal proceeds were mot substitute the mortgagers genomes and the scened store the scene

from the amount so deposited to its credit, although the deposit slip bore a notation, "For discount and collection," and both the deposit slip and the passbook bore a nota-tion giving to the bank the right of charge-back of items credited. Blatz Breving Co. V. Richardson & Richardson, 245 W 567, 15 NW (2d) 819. Where a garnishee action was brought in aid of an action on a mortgage note, and

267.02 Garnishee summons. A garnishee action shall be commenced by the service of a summons and verified complaint, which summons shall be substantially in the following form:

.... Court, .... County.

A. B., plaintiff, vs. C. D., defendant, E. F., garnishee.

The State of Wisconsin, To said garnishee:

You are hereby summoned, as garnishee of the defendant, C. D., and required, within twenty days after the service of this summons and the annexed complaint upon you, exclusive of the day of service, to answer, whether you are indebted to or have in your possession or under your control any property belonging to such defendant, and to serve a copy of your answer on the undersigned at ...., in the county of ....; and in case of your failure so to do judgment will be rendered against you for the amount of the plaintiff's judgment against said defendant, and costs. Of which the said defendant will also take notice.

> Plaintiff's attorney (or plaintiff) P. O. address, ...., .... county, Wis.

## [1935 c. 541 s. 94, 95]

267.025 Property in safe deposit box. Property in a safe deposit box in any bank or safe deposit company is not property in the possession or control of such bank or safe deposit company within the meaning of this chapter. [1945 c. 65]

267.03 Complaint; several garnishees. (1) The garnishee complaint must allege the existence of one of the grounds for garnishment mentioned in section 267.01, the amount of the plaintiff's claim against the defendant, above all offsets, and that plaintiff believes that the named garnishee is indebted to or has property in his possession or under his control belonging to the defendant (naming him) and that such indebtedness or property is, to the best of plaintiff's knowledge and belief, not exempt from execution.

(2) Any number of garnishees may be embraced in the same garnishment; but if a joint liability be claimed it shall be so stated in the complaint, otherwise the several garnishees shall be deemed severally proceeded against. At any time before trial the complaint may be amended to include any facts existing at the time the garnishee action was commenced. When the complaint uses a partnership name the presumption shall be that the names of the partners are unknown. [1935 c. 541 s. 96]

Revisor's Note, 1935: Proceedings against a partnership whose members are unknown is covered by 260.21. (Bill No. 50 S, s. 96) v. Larson, 211 W 200, 248 NW 209.

267.04 Garnishee fees, costs. A garnishee shall be entitled to three dollars as garnishee fee, and shall not be required to answer unless such fee be first paid. When a corporation is garnished such fee shall be paid to the person upon whom the garnishee summons and complaint is served. Such fee shall be taxed as costs in the action the same as witness fees are taxed. [1935 c. 541 s. 95, 97]

267.05 [Repealed by 1935 c. 541 s. 98]

267.06 Service on garnishee and defendant. The garnishee summons and complaint shall be served on the garnishee in the manner provided in sections 262.07, 262.08 and 262.09 for service of a summons; and, except where service of the summons in the main action is made without the state or by publication, also on the defendant therein, in like manner, not later than ten days after service on a garnishee. When the defendant shall have appeared in the main action by an attorney service may be made upon such attorney or upon the defendant. Unless the garnishee summons and complaint be so served on the defendant or his attorney or the proof of service on the garnishee shows that, after due diligence, such service cannot be made within the state, the service on the garnishee shall become void. [1935 c. 541 s. 99]

Note: Where the return of a sheriff who had served a summons on the garnishee made no reference to the service of a garnishee summons on the defendant, and did not cer-and the facts required by the statute to be

shown by the proof of service on the gar-nishee could not be made to appear other-wise, as by a subsequent affidavit of the sheriff that he had used due diligence to find the defendant. As against a depositor, a garnishee bank was not protected by the payment of a deposit into court pursuant to

267.07 Subsequent garnishments. The plaintiff may, in like manner, subsequently proceed against other garnishees or against the same garnishees if he shall have reason to believe they have subsequently become liable; and he may summon garnishees resident in other counties than that in which the principal action is pending or in which judgment therein was entered.  $\begin{bmatrix} 1935 \ c. \ 541 \ s. \ 100 \end{bmatrix}$ 

Revisor's Note, 1935: Garnishment is an by the general rules of chapter 261. (Bill action and the venue should be determined No. 50 S, s. 100)

267.08 Garnishee answer. (1) Within twenty days from service of the garnishee summons and complaint upon him the garnishee may, if the truth warrant, serve upon the plaintiff his answer in the following form, substantially:

.... Court, .... County.

A. B., plaintiff

vs. Garnishee answer. C. D., defendant,

E. F., garnishee

E. F., the garnishee above named for answer, says that on the .... day of ...., A. D. 19..., he was served with a garnishee summons and complaint in the above entitled action; that he was then in no manner and upon no account whatever indebted or under liability to the defendant (naming him), and that he then had in his possession or under his control no real estate and no personal property belonging to said defendant or in which he has any interest; and is in no manner liable as garnishee in this action. (Signature and verification)

(2) When the state or a division thereof is the garnishee its secretary or clerk shall certify to the court the facts as to its liability as garnishee, and need make no other answer. [1935 c. 541 s. 101]

**Revisor's Note, 1935:** The amendment attaches when the summons is served on provides for a verified answer according to the garnishee. And the answer should be the general practice (ch. 263). The matter confined to that time. If the garnishee sub-of answering is left optional with the gar-nishee, (as in ordinary actions), the penalty is the way to reach that debt. The answer for not answering being judgment as pro-vided by the summons. This garnishment (Bill No. 50 S, s. 101)

267.09 Garnishee answer; submission of question to court. Unless the garnishee answers as provided in section 267.08 he shall, within twenty days from the service of the garnishee summons and complaint, serve in like manner a verified answer in which he shall state:

(1) Whether he was, at the time of the service of the garnishee summons indebted or under any liability to the defendant, naming him, in any manner or upon any account, specifying, if indebted or liable, the amount, the interest thereon, the manner in which evidenced, when payable, whether an absolute or contingent liability, and the facts necessary to a complete understanding of such indebtedness or liability. When the garnishee shall be in doubt respecting any such liability or indebtedness he may set forth the facts concerning the same.

(2) Whether he held at the time aforesaid the title or possession of or any interest in land or of any personal property or any instruments or papers relating to any such belonging to the defendant or in which he is interested. And if he shall admit any such or be in doubt respecting the same he shall set forth a description of such property and the facts concerning the same, and the title, interest or claim of the defendant in or to the same.

(3) If he claims any set-off or defense to any debt or liability or any lien or claim to such property he shall allege the facts.

(4) He may state any claim of exemption from execution on the part of the defendant or other objection, known to him, against the right of the plaintiff to apply upon his demand the debt or property disclosed.

(5) If he discloses any debt or the possession of any property to which the defendant and other persons make claim he may allege the names and residences of such other claimants and, so far as known, the nature of their claims. [1935 c. 541 s. 102]

pledgor is contingent on the production of a

Note: The interest of a pledgor or mort-gagor over and above the amount necessary to pay a debt secured may be reached by garnishment in advance of sale. The fact that the indebtedness of the pledgee to the pledgor is contingent on the preduction of a

267.10 Judgment against garnishee, on failure to answer. If any garnishee who is duly summoned, shall fail to serve his answer as required in this chapter the court may render judgment against him for the amount of the plaintiff's judgment against the defendant, together with the costs of such garnishee action. [1935 c. 541 s. 103]

267.11 Garnishee pay to clerk; levy. (1) In case the answer shows a due debt to the defendant the garnishee shall pay the same or sufficient thereof to cover the claim of the plaintiff, as stated in the garnishee complaint, with interest and costs, to the clerk of the court, and take his receipt therefor, and it shall discharge him of all liability for the amount so paid.

(2) In case the debt disclosed is not due the garnishee shall pay the amount as aforesaid to the clerk, when due, with like effect, and in default of such payment, in either case, the plaintiff shall be entitled to judgment against the garnishee for the amount disclosed. when due, either before or after judgment in the original action and may collect the same by execution; but in case no judgment has been rendered in the principal action the execution against the garnishee shall require the sheriff to pay the money collected into court to abide the event of the principal action. Moneys so paid into court shall be paid to the plaintiff when final judgment shall be rendered in his favor, and to the extent of satisfying the same, upon order of the court, and any balance to the party entitled thereto.

(3) In case judgment shall be against the plaintiff such moneys shall be paid to the defendant. If the answer disclose other property in the possession or under the control of the garnishee the officer having a writ of attachment or an execution may levy upon the interest of the defendant in the same; otherwise the garnishee shall hold the same until the order of the court thereon. [1935 c. 541 s. 104]

**Revisor's Note, 1985:** The execution *itself* that effect. (3) is intended to cover every-should command the sheriff to pay the thing except debts due the defendant, 60 W money into court. Plaintiff's attorney 296, (Bill No. 50 S, s. 104) might neglect to make an indorsement to

267.12 Answer conclusive if not traversed. The answer of the garnishee shall be taken as true unless the plaintiff shall, within twenty days, serve upon the garnishee a reply. [1935 c. 541 s. 105]

Note: Whether neither the plaintiff nor the defendant denied allegations in the garn-ishee answer as to the existence of a lien inshee defendant, granting an extension of answer was conclusive on the existence of such lien. Liberty v. Liberty, 226 W 136, 276 NW 121. Where the plaintiff failed seasonably to take issue with the answer of the gar-ishee defendant, granting an extension of time to file a reply related to practice and was within the discretion of the court. Schmidt v. Blankschien, 235 W 586, 294 NW 49.

267.13 [Repealed by 1935 c. 541 s. 106]

267.14 Defendant or garnishee may defend both actions. (1) The defendant may, within twenty days from the service of the garnishee summons and complaint on him, answer the garnishee complaint and defend the garnishee action upon any ground upon which a garnishee might defend, and may participate in the trial of any issue between the plaintiff and garnishee. And the garnishee may, at his option, defend the principal action for the defendant, if the latter does not defend.

(2) When any garnishee shall defend the principal action, he shall thereby become a party defendant in said action and shall be so entered of record by the clerk, but shall be liable only for the costs in said action. [1935 c. 541 s. 107]

Note: A principal defendant in garnish-ment proceedings though in default may participate in the trial of issues between the plaintiff and garnishee for the protec-tion of his interests. Under 267.18 the maker W 547, 238 NW 387.

267.15 Principal action tried first; judgment. (1) No trial shall be had of the garnishee action until the plaintiff shall have judgment in the principal action and if the defendant have judgment the garnishee action shall be dismissed with costs.

(2) The court may adjudge the recovery of any debt, the conveyance, transfer or delivery to the sheriff or any officer appointed by the judgment of any real estate or personal property disclosed or found to be liable to be applied to the plaintiff's demand; or by the judgment pass the title thereto; and may therein or by its order direct the manner of making sale and of disposing of the proceeds thereof, or of any money or other thing paid or delivered to the clerk or officer. The judgment against a garnishee shall discharge him from all demands by the defendant for all property paid, delivered or accounted for by the garnishee, by force of such judgment. [1935 c. 541 s. 108]

Cross Reference: For sale of perishable property, see 266.14.

267.16 Interpleader. When the answer of the garnishee discloses that any third person claims the debt or property in his hands and the name and residence of such claimant the court may order that such claimant be interpleaded as a defendant in the garnishee action; and that notice thereof, setting forth the facts, with a copy of such order and

answer be served upon him, and that after such service is made the garnishee may pay or deliver to the officer or the clerk such debt or property and have a receipt therefor, which shall be a complete discharge from all liability for the amount so paid or property so delivered. Such notice shall be served in the manner required for service of a summons. Upon such service being made such claimant shall be deemed a defendant in the garnishee action, and within twenty days shall answer setting forth his claim or any defense which the garnishee might have made. [1935 c. 541 s. 109]

267.17 Liability of garnishee. From the time of the service of the summons and complaint upon the garnishee he shall stand liable to the plaintiff for the property then in his possession or under his control belonging to the defendant or in which he is interested to the extent of his right or interest therein and for all his debts due or to become due to the defendant, except such as are exempt from execution, but not in excess of the amount of the plaintiff's claims as disclosed by his garnishee complaint. [1935 c. 541 s. 110]

**Note:** Where the defendant's attorneys parties to the action could not recover in the had a lien on the fund which the plaintiff sought to reach in garnishment proceedings, the plaintiff's rights were subordinate to the lien and he was entitled only to the balance, but the attorneys not having been made

267.18 Nonliability as garnishee; judgment when rendered. No person shall be liable as garnishee:

(1) By reason of his having drawn, accepted, made, indorsed or guaranteed any negotiable instrument; or

(2) By reason of any thing received or collected by him by execution or other process; or

(3) By reason of any money in his hands as a public officer; or

(4) By reason of any thing owing by him upon a contingency.

(5) A debt owing by the owner of property subject to a mechanic's lien, pursuant to section 289.01, shall not be deemed absolutely due until the claims of subcontractors and employes under section 289.02 shall have matured or expired. Except as above provided judgment may be given for any thing owing, although it has not become due in which case the garnishee shall not be required to pay or deliver it before the time appointed by the contract. [1935 c. 541 s. 111]

**Revisor's Note, 1985:** Garnishee summons is of no effect if served while the obliga-tion is contingent. See Annotations, 74 W Zellers, 205 W 547, 238 NW 387. 571, 86 W 305, 89 W 96, 95 W 185. (Bill No. 50 S, s. 111)

267.19 Action by defendant against garnishee stayed. Except upon the order of a judge no action shall be commenced by the defendant or his assignee against a garnishee upon any garnished claim or demand or to recover any property garnished, or execution be issued upon a judgment in favor of defendant against such garnishee, until the termination of the garnishee action; and if an action shall have been commenced or an execution issued it shall be stayed by the court or a judge thereof as to the garnishee upon his application. [1935 c. 541 s. 112]

267.20 Release of garnishment; bond. (1) The defendant may file with the clerk of the court a bond, executed by at least two sureties, resident freeholders of the state, to the effect that they will on demand pay to the plaintiff the amount of the judgment that may be recovered against such defendant not exceeding a sum specified, which shall be double the amount of the debt specified in the garnishee complaint or in such less sum as the court shall direct. If the plaintiff fails to take issue with the garnishee answer the bond shall be conditioned to pay to the plaintiff the amount of the debt admitted or of the value of the property held by the garnishee.

(2) The sureties shall justify their responsibility by affidavit annexed, stating a sum which each is worth in property within this state, above all his liabilities and exclusive of property exempt from execution, the aggregate of which sums shall be double the amount specified in the bond. The defendant shall serve on the plaintiff a copy of such bond with a notice of where the same was filed. Within three days after the receipt thereof the plaintiff may notify the defendant that he excepts to the sufficiency of the sureties, otherwise he waives all objections to them. When the plaintiff excepts, the sureties shall justify in like manner as bail on arrest, and the provisions of sections 264.17, 264.18 and 264.19 shall be applicable thereto. Thereafter the garnishee shall be discharged and the garnishment proceedings shall be deemed discontinued, and any money or property paid or delivered to any officer shall be surrendered to the person entitled thereto, and the costs shall be taxable as disbursements of the plaintiff in the action if he recovers. [1935 c. 541 s. 113]

Note: A plaintiff who unsuccessfully determining the sufficiency against the de-questions the sufficiency of the sureties on defendants' undertaking to release a gar-ishment is not entitled to tax the costs of

Note: Where the garnishee made a full against him was improper. Liberty v. Lib-and truthful answer the taxation of costs erty, 226 W 136, 276 NW 121,

[Renumbered section 267.04 by 1935 c. 541 s. 97] 267.22

267.22 Garnishment of salaries and wages of public officers and employes. (1) (a) A judgment creditor (but no one else) may maintain a garnishment action against the state or any political subdivision thereof in the manner provided in this section to reach the unexempt wages or salary of the judgment debtor.

(b) This section does not apply or extend to money due to an officer or employe to reimburse him for expenditures made by him in the discharge of his duties.

(2) (a) The garnishee summons and complaint shall be served upon the garnishee by delivering a copy thereof to its secretary or clerk. Service on the judgment debtor shall be made in the manner and within the time provided by section 267,06 for service upon a defendant.

(b) Section 267.04 does not apply to proceedings under this section but otherwise the practice shall be that prescribed by this chapter.

(3) The complaint must contain an allegation that the plaintiff believes that the garnishee is indebted to the defendant for wages or salary and that such debt is not exempt under section 272.18.

(4) Within 20 days after such service upon him, the secretary or clerk of the garnishee shall answer the complaint by delivering or mailing to the court his certificate of the amount owed by the garnishee to the judgment debtor for wages and salary at the time of such service; and his answer as to the amount owing shall be conclusive in the garnishment action.

(5) (a) The regular checks or vouchers for the salary or wages of the judgment debtor shall issue and continue to issue in due course as though no garnishment action were pending, but they shall be delivered to the court until the court notifies the garnishee's secretary or clerk that the garnishment action has been dismissed or the judgment therein satisfied.

(b) The court may order such pay checks and vouchers cashed by its clerk and the proceeds held by him and disbursed as the court orders. The nonexempt portion of such proceeds shall be applied on the creditor's judgment.

(c) The court may in a summary manner, upon the application of the judgment debtor and with reasonable notice to the creditor, determine the exemptions to which the debtor is entitled and the amount thereof shall be paid to him and credited to the garnishee.

(d) Any proceeds of such checks and vouchers remaining in the custody of the court after the demands of such creditor as determined by the court are satisfied shall be ordered paid to the judgment debtor.

(e) Other judgment creditors of the judgment debtor may intervene in the garnishment action.

(6) A judgment under this section shall have precedence over an assignment by the debtor filed with the garnishee subsequent to the service of the garnishee summons. [1945 c. 543]

Section 267.22 \* \* \* applies only to judg-ments in courts of record, whereas old 304.21 applies to judgments of all courts. A new 304.21 is created by this bill, to take care of justice court judgments. The provision in old 304.21 for sequestering funds due public contractors is made 289.535. Notice should be taken of the fact that 267.22 and old 304.21 deal with priorities be-tween assignees and garnishees. The crucial time under 267.22 (6) is the date of serving the garnishee summons. But under old 304.21 (3) the time turns on the date of the commencement of the main action. That goes too far back. This remedy, as origin-ally enacted, required that the certified copy be filed within 30 days after entry of judg-ment. At present there is no such limita-tion of time for filing. The main action may have been begun in justice court and have been appealed from court to court so that final judgment may be years after the ac-tion was begun. In McDonald v. State the action against McDonald in which the state paid \$530 was still pending on appeal and paid \$530 was still pending on appeal and

**Comment of Advisory Committee, 1945:** it was asserted by McDonald that the re-Section 267.22 \* \* \* applies only to judg-ments in courts of record, whereas old 304.21 responsible, so that McDonald, should he cipient of that money was financially ir-responsible, so that McDonald, should he prevail in the end, would be unable to re-cover the \$530. McDonald v. State, 203 W

649. Old 304.21 provides that if the judgment debtor files an affidavit that an appeal has been or will be taken from the judgment, payment shall not be made until final deter-mingtion of the appeal.

payment shall not be made until final deter-mination of the appeal. In order to speed up the procedure, that provision is omitted from new 267.22 and 289.535. (1) (b) preserves the second proviso of old 304.21 (2) which reads: "provided further that any repayment to any such officer or employe of disbursements made and ex-pended by such officer or employe in dis-charge of the duties of his office, shall not be subject to any judgment or lien men-tioned and described herein." (2) It seems obvious that provision should

(2) It seems obvious that provision should be made in this proceeding for service on the judgment debtor. Due process requires that he have notice. McDonald v. State, 203 W 649, 656; State ex rel. Anderton v. Som-

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