LRB-1274/4 RPN:wlj:km

1999 ASSEMBLY BILL 391

June 24, 1999 – Introduced by Representatives Gunderson, Musser, Townsend, Turner, Sykora, Hahn, Petrowski, Hundertmark, Spillner, Gronemus, Kelso, Albers and Powers, cosponsored by Senator Darling. Referred to Committee on Judiciary and Personal Privacy.

- 1 AN ACT to amend 812.34 (1) (a) of the statutes; relating to: disposable earning
- 2 exempt from garnishment.

Analysis by the Legislative Reference Bureau

Under current law, if a person's earnings are garnisheed in this state, generally 80% of the person's disposable earnings are exempt that garnishment. If the person garnisheed is part of a household whose income is below the poverty line, if the garnishment would result in the household income being below the poverty line or if the person is receiving need-based public assistance, all of the person's earnings are exempt from garnishment. The exemptions do not apply for judgment debts for the support of a person or for unpaid taxes. These exemptions do not apply if the judgment debt being recovered by the garnishment action was ordered under a voluntary wage earner plan approved by a circuit court or ordered by a federal bankruptcy court.

This bill limits the bankruptcy court judgment exception to the 80% and 100% wage exemptions to those judgments ordered by a federal court under a voluntary wage earner plan approved under chapter 13 of the federal bankruptcy law.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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812.34(1) (a) Was ordered by a court under s. 128.21 or by a court of bankruptcy
any court of the United States having jurisdiction over cases under Title 11, USC
<u>1301 to 1330</u> .
SECTION 2. Initial applicability.
(1) This act first applies to garnishment actions commenced on the effective
date of this subsection.
SECTION 3. Effective date.
(1) This act takes effect on the first day of the 4th month beginning after
publication.

(END)