MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M

ROLL NUMBER

DESCRIPTION

2162

2005 SENATE JUDICIARY

SB 2162

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2162

Senate Judiciary Committee

☐ Conference Committee

Hearing Date January 18, 2005

Tape Number	Side A	Side B	Meter #
1		X	400-1421
Committee Clerk Signature	Mona L Solberg		

Minutes: Relating to notice of renewal of garnishment of earnings.

Senator John (Jack) T. Traynor, Chairman called the Judiciary committee to order. All Senators were present. The hearing opened with the following testimony:

Testimony In Support of the Bill:

Mike Lefor, Legislative Dir. ND Collectors Assoc. (meter 400) Gave Testimony Att. #1)

Senator Syverson asked what the merit of doing this process as long as garnishment is present no new garnishment could be filed. Kim Rau - Stated that as soon as the original 270 days are up from the first filing then a second one can be processed. Mr. Lefor stated that once a person learns that by not picking up a certified letter that the sheriff would serve you then they are more then likely to pick up the second certified letter.

Sen. Wardner, Dickenson also introduced the bill that he is sponsoring.

.Testimony in Opposition of the Bill: none

Senator John (Jack) T. Traynor, Chairman closed the Hearing

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2162

Senate Judiciary Committee

☐ Conference Committee

Hearing Date January 19, 2005

Tape Number	Side A	Side B	Meter #
2	X		500 - End
Committee Clerk Signature	Maria L. Solberg		

Minutes: Relating to Committee Work

Senator John (Jack) T. Traynor, Chairman called the Judiciary committee to order. All Senators were present.

Senator Triplett submitted an amendment (att #1) **Sen. Nelson** seconded the amendment. All were in favor.

Sen. Trenbeath made the motion to do pass as amended and **Sen. Nelson** seconded the motion. All were in favor. Motion Passes.

Carrier: **Sen. Nelson**

Senator John (Jack) T. Traynor, Chairman closed the Hearing

1/19

AH #1

50374.0101
Title.

Prepared by the Legislative Council staff for
Senator Triplett
January 18, 2005

PROPOSED AMENDMENTS TO SENATE BILL NO. 2162

Page 2, line 9, after "reissued" insert "for a continuing lien on wages under section 32-09.1-21"

Renumber accordingly

Date: 1/19
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2142

Senate Judiciary Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Amendment (Att #1)

Motion Made By Sen Triplett. Seconded By Sen Nelson

Senators	Yes	No	SenatorsSen. Nelson	Yes	No
Sen. Traynor	✓		Sen. Nelson	✓	
Senator Syverson	✓		Senator Triplett	✓	
Senator Hacker	✓				
Sen. Trenbeath	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 1/19/05
Roll Call Vote #: (2)

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB

Senate Judiciary Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Sen Trenbeath Seconded By Sen. Nelson

Senators	Yes	No	SenatorsSen. Nelson	Yes	No
Sen. Traynor	✓		Sen. Nelson	✓	
Senator Syverson	✓		Senator Triplett	✓	
Senator Hacker	✓				
Sen. Trenbeath	✓				

Total (Yes) 6 No 0

Absent 0

Floor Assignment Sen Nelson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2162: Judiciary Committee (Sen. Traynor, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2162 was placed on the Sixth order on the calendar.

Page 2, line 9, after "reissued" insert "for a continuing lien on wages under section 32-09.1-21"

Renumber accordingly

2005 HOUSE JUDICIARY

SB 2162

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2162

House Judiciary Committee

☐ Conference Committee

Hearing Date 3/15/05

Tape Number	Side A	Side B	Meter #
1	xx		0-5.7
1	xx		15.5-16.2
Committee Clerk Signature	Dawn Renose		

Minutes: 13 members present, 1 member absent (Rep. Charging).

Chairman DeKrey: We will open the hearing on SB 2162.

Sen. Rich Wardner: Sponsor, explained the bill. This bill deals with garnishments and the renewal of them, and doing it in a very smooth and good transition which makes it, not only good for the client (the person having their wages garnished), but also the entity that is doing it.

Chairman DeKrey: Thank you. Further testimony in support of SB 2162.

Mike Lefor, ND Collectors Association: Support (see written testimony).

Representative Onstad: This is only in the case of a renewal, and it doesn't have to do with judicial garnishments.

Mike Lefor: That's correct. It adds language. The original information on the garnishment form and how to do that is there. This under #2 is all added language that talks about the renewal process that we would be able to send out on a renewal.

Representative Koppelman: Are there any other notices that are just servable by first class mail, or do all the others require registered mail, certified mail.

Mike Lefor: I don't know, but I do know that under present law, we have to send a certified, restricted letter for them.

Chairman DeKrey: Last session, we passed a couple of bills that did just that.

Representative Koppelman: Required certified or not.

Chairman DeKrey: No, made that first class mail okay for serving papers. Thank you for appearing. Further testimony in support of SB 2162, testimony in opposition to SB 2162, we will close the hearing.

(Reopened later in the same session).

Chairman DeKrey: What are the committee's wishes in regard to SB 2162.

Representative Boehning: I move a Do Pass.

Representative Bernstein: Seconded.

12 YES 0 NO 2 ABSENT **DO PASS** **CARRIER: Rep. Meyer**

Date: 3/15/05
Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2162

HOUSE JUDICIARY COMMITTEE

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Boehning Seconded By Rep. Bernstein

Representatives	Yes	No	Representatives	Yes	No
Chairman DeKrey	✓		Representative Delmore	A	
Representative Maragos	✓		Representative Meyer	✓	
Representative Bernstein	✓		Representative Onstad	✓	
Representative Boehning	✓		Representative Zaiser	✓	
Representative Charging	A				
Representative Galvin	✓				
Representative Kingsbury	✓				
Representative Klemin	✓				
Representative Koppelman	✓				
Representative Kretschmar	✓				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Meyer

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2162, as engrossed: Judiciary Committee (Rep. DeKrey, Chairman) recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2162 was placed on the Fourteenth order on the calendar.

2005 TESTIMONY

SB 2162

AH #1

Senate Bill 2162

Testimony of:

Same given to the House

Mike Lefor
Legislative Director
North Dakota Collectors Association

Good morning, Chairman Traynor and members of the Senate Judiciary committee, my name is Mike Lefor and I serve as the legislative director for the North Dakota Collectors Association, which is an association of 24 collection agencies in the state of North Dakota. For many years, our association's legislative efforts have been focused on saving paperwork and costs for the consumer as well as our businesses. Senate Bill 2162 accomplishes that. At the present time, North Dakota law does not have a section for renewal of garnishments. The North Dakota Century Code allows for a 270 day garnishment period and, if the account is not paid in full, the entire garnishment process needs to be done again.

The present system causes a great deal of confusion for the consumer as they are involved with a garnishment and then, they receive another garnishment form, they will call us and ask why we are taking another garnishment action against them, we have to explain to them that this is a continuation of the existing garnishment. The current form in no way indicates that it is for the same garnishment or that it is a continuation of the garnishment.

The new language states clearly to the consumer that this is a renewal of the existing garnishment. Also, at the present time, creditors would have to wait until the end of the first garnishment period expired to begin the notice before garnishment. This legislation allows for the renewal of a garnishment process to begin 10-20 days prior to the completion of the previous garnishment period.

This would allow for a garnishment process without interruption and less confusion on the part of the consumer. The questions we receive in our office include:

Are you garnishing me on another account?

Why are you sending this notice to me?

The key word here for the consumer is "renewal" and this will make it easier. The consumer does not realize that garnishments are good for 270 days and not necessarily until the account is paid in full. At 270 days, we must start the process over.

Present Law:

A ten day letter before to the garnishment is sent to the consumer, after ten days we provide a garnishment summons to the consumer either by certified restricted letter or by sheriff service. The consumer is less likely to pick up the certified, restricted letter and we then send out the sheriff for service.

We will get questions like: "Why did you send the sheriff?" (Because they did not pick up their certified, restricted letter.) This increases the cost to the consumer.

Proposed:

The consumer get the 10 day letter by regular mail explaining this is a renewal of the garnishment, the consumer will be more likely to pick up the certified, restricted letter. This eliminates the need to send out the sheriff because they understand it is for a renewal rather than a new garnishment. This lowers the cost to the consumer.

Accounts are then paid faster, the consumer gets his bill paid, the creditor gets their money quicker with the lower cost. Chairman Traynor and members of the Senate Judiciary committee, the North Dakota Collectors Association recommends a "do pass" vote in committee as it simplifies the process, makes it work faster and helps the consumer understand.

Thank you for your time and I would be happy to answer any questions you may have.