

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5285H.07C  
 Bill No.: HCS for SS for SCS for SB Nos. 835 & 1111  
 Subject: Business and Commerce; Economic Development; Banks and Financial  
 Institutions; Property, Real and Personal  
 Type: Original  
 Date: April 14, 2026

Bill Summary: This proposal modifies provisions relating to attachment, execution, and garnishments in civil proceedings.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*OSCA's potential increase in court costs assumed to be less than \$250,000 annually.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government*</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

\*Loss of garnishment collections. Section 525.235 effective January 1, 2028.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Office of Prosecution Services** did not respond to **Oversight's** request for fiscal impact for this proposal.

### §§513.380, 513.423, 513.430, 513.475, and 525.235 – Provisions Relating to Attachment, Execution and Garnishment in Civil Proceedings

Officials from the **Office of the State Courts Administrator (OSCA)** state this proposal may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

**Oversight** notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **City of Kansas City (City)** state the proposed legislation has a negative fiscal impact of an indeterminate amount but at least \$250,000 annually. Currently, the banks are required to hold all funds in the account on the day the garnishment is served and any money deposited after that date until the return date of the garnishment.

For example, if the garnishment is served on a Thursday and there is \$500 in the bank account, the bank would hold that \$500. If the defendant had a direct deposit that went in the next day of \$2000, the bank would also hold that \$2000. At the return date, the bank would send the \$2500 plus any other funds held. Under this new section the bank would only send the \$500 and nothing that is put into the account afterwards. The majority of the funds the City collects through garnishment come from later deposited amounts. This legislation would substantially impact the revenues received. Additionally, since the City does not control when the sheriff actually serves the bank, the City would have no ability to time the service to make sure that the City obtained the maximum amount of funds. In addition, in subsection (3), the change from \$600 to \$1,500 wildcard exemption would reduce the amount the City could collect in a garnishment if a party were to invoke this section.

In addition, there is language in the bill that will give the financial institution 60 days to pay out potentially (§525.235.8), although that section is confusing and it seems like the legislature is using the words judgment debtor when they mean judgment creditor. Depending on which they mean, this section would either run afoul of Supreme Court Rule 90.10 (if they mean judgment

creditor) which requires that the garnishee pay/deliver such property to the court or attorney not later than ten days after the return date without order of the Court, or (if they do mean judgment debtor) it could cause undue hardship for the judgment debtor by freezing their account for up to 60 days.

**Oversight** assumes there will be a potential loss to all local political subdivisions annually. Oversight notes §525.235 has an effective date of January 1, 2028. The repeal and reenactment of all other sections is effective January 1, 2027.

Officials from the **Department of Revenue (DOR)** provide the following:

Section 513.380 Debtor's Examinations

This provision amends the practice of debtor's examinations. This provision will not impact DOR's collections as it is granted unique subpoena and examination authority under other statutes.

Sections 513.423 – 525.235 Execution Collection Remedies

These provisions seek to amend and enact new statutes regarding exempt property under execution collection remedies and the dollar value of such exempt property. These provisions will have no impact on DOR's collection as no statute in Chapter 513 exempts property from state tax collections.

Additionally, §525.235 is attempting to set forth guidelines and responsibilities for bank garnishments. Before this provision, wage and bank garnishments were covered by the same statutes creating some unanswered issues for bank garnishments. This new provision clarifies the bank's role in garnishment processing as well as treating Missouri bank garnishments more like an IRS levy (i.e., the levy attaches only to funds existing at the time of service on the bank, not an ongoing levy on future deposits). This levy method may impact the amount recovered by the DOR by potentially decreasing collections, but it should be minimal.

**Oversight** has no information to the contrary. Oversight assumes the "minimal" reduction in collections will be absorbable by the DOR and will present no fiscal impact to the DOR for this fiscal note.

In response to a previous version, officials **Attorney General's Office** assumed any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Office of Administration - Budget and Planning (B&P)** defer to the local government for the fiscal impact. There will be no impact on B&P, general, or total state revenue.

**Oversight** has no information to the contrary. Therefore, Oversight assumes no fiscal impact for B&P for this proposal.

Officials from the **Department of Commerce and Insurance, Joint Committee on Administrative Rules, Legislative Research-Office of the Revisor, and Phelps County Sheriff** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **City of Osceola** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities, various county officials and sheriff’s departments were requested to respond to this proposed legislation but did not. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (6 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Cost – OSCA (§§513.380, 513.423, 513.430, 513.475, and 525.235)</u> Potential increase in court costs p. 3	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (6 Mo.)	FY 2028	FY 2029
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Loss – Cities (\$525.235) Potential reduction in garnishments collected p.3-4</u>	\$0	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

This proposal may have a negative impact on small businesses that have garnishments in place to collect owed funds.

FISCAL DESCRIPTION

Under current law, whenever an execution against the property of any judgment debtor shall 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 act instead provides a judgment creditor shall, 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 may be granted immunity from prosecution by any prosecuting or circuit attorney for statements made at a judgment debtor's examination. This act instead provides that a judgment debtor shall enjoy full use and derivative immunity and that no testimony in an examination may 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 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. Beginning April 1, 2029, and every three years thereafter, the amount will be adjusted to reflect the change in the Consumer Price Index for All Urban Consumers, published by the United States Department of Labor, or its successor index, as specified in the bill.

Beginning March 1, 2029, and every three years thereafter, the Revisor of Statutes must publish a schedule of adjusted dollar amounts annually, as specified in the bill.

Adjustments made in accordance with the three-year interval will not apply to cases commenced before the date of such adjustments. 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. The garnishee must provide a copy of the order of garnishment to each account holder within two business days to the address provided by the garnishee by mail or electronically if authorized by the account holder. Each account holder can file an objection or a request of exemption of all or a portion of the account with the court that issued the order of garnishment within 30 days of the date the garnishment attaches and serve their objection or request for exemption on the garnishor and the garnishee. If the objection or request of exemption is not resolved within 30 days of the timely filing of the objection or request of exemption, the garnishee may pay the garnished funds to the circuit court to be held for pending resolution of the objection or request.

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 garnishee acting in good faith compliance with a facially valid order of garnishment shall not be liable to any debtor, creditor, or other person for withholding, restraining or releasing funds in reasonable reliance upon the terms of the writ or order.

A garnishee will not be required to adjudicate competing claims of ownership to property or funds; determine the legal sufficiency or validity of the underlying judgment; or investigate facts outside the information contained in the writ or the garnishee's business records.

A garnishee shall be liable for damages arising from a garnishment only if the garnishee fails to follow the clear and express terms of the writ of order; such failure constitutes gross negligence or willful misconduct; or actual damages are proven.

A garnishee shall not be liable if the garnishee corrects an error within five business days after receiving written notice identifying the alleged error and promptly releases any improperly restrained funds.

Temporary restraint of funds pending review of a claimed exemption shall not create liability if the garnishee, garnishor, and judgment debtor or other persons act within time frames required by law.


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 legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office  
Department of Commerce and Insurance  
Department of Revenue  
Office of the State Courts Administrator  
City of Kansas City  
City of Osceola  
Phelps County Sheriff  
Joint Committee on Administrative Rules  
Legislative Research – Revisor of Statutes



Julie Morff  
Director  
April 14, 2026



Jessica Harris  
Assistant Director  
April 14, 2026