

Multiple Agency Fiscal Note Summary

Bill Number: 5173 E S SB	Title: Property exempt from exec.
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Revenue	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Gaius Horton, OFM	Phone: (360) 819-3112	Date Published: Final 3/16/2023
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Judicial Impact Fiscal Note

Bill Number: 5173 E S SB	Title: Property exempt from exec.	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note for Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.

Legislative Contact: Julie Murray	Phone: 786-7711	Date: 03/09/2023
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 03/10/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 03/10/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 03/10/2023

186,175.00

Request # 240-1

Form FN (Rev 1/00)

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Bill # 5173 E S SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

The engrossed substitute bill would not change the fiscal impact to the Administrative Office of the Courts or the courts.

The proposed legislation amends RCWs 6.15 and RCW 51.32 personal property exemptions from execution, attachment and garnishment.

II. B - Cash Receipts Impact

II. C - Expenditures

No fiscal impact is expected to the Administrative Office of the Courts or the courts. The bill changes exemption limits in certain instances and adjusts exemption limits by the consumer price index.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

186,175.00

Form FN (Rev 1/00)

Department of Revenue Fiscal Note

Bill Number: 5173 E S SB	Title: Property exempt from exec.	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Julie Murray	Phone: 86-7711	Date: 03/09/2023
Agency Preparation: Taylor Culp	Phone: 60-534-1511	Date: 03/14/2023
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 03/14/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/15/2023

Request # 5173-2-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Note: This fiscal note reflects language in ESSB 5173, 2023 Legislative Session.

COMPARISON OF ENGROSSED SUBSTITUTE SENATE BILL WITH ORIGINAL BILL:

The engrossed substitute bill changes the consumer price index for the Seattle area to the seasonally adjusted consumer price index for all urban consumers, all items, for the United States.

CURRENT LAW:

Under current law, the following property is exempt from execution, attachment, and garnishment:

- All apparel, not to exceed \$3,500 in furs, jewelry, and personal ornaments for any individual.
- Private libraries, including electronic media, not exceeding \$3,500 in value.
- A cell phone, personal computer, and printer.
- Household goods, appliances, furniture, and home and yard equipment: \$6,500 in value for individuals or \$13,000 for community property of spouses. No single item may exceed \$750 in value.
- Other personal property of individuals or community, except personal earnings, not to exceed \$3,000 in value. No more than \$1,500 may consist of cash.
- One motor vehicle used for personal transportation for an individual not to exceed \$3,250. A community may have two motor vehicles not to exceed \$6,500 in aggregate value.
- Any past due, current, or future child support paid or owed to the debtor.
- All professionally prescribed health aids for the debtor or a dependent of the debtor.
- The right to or proceeds of a payment up to \$20,000 on account of personal bodily injury per person.
- Up to \$10,000 in tools, instruments, and materials needed to carry out specified occupations, including:
 - Farmers
 - Clergy
 - Attorneys
 - Other professionals
- Tuition units, purchased more than two years prior to the date of bankruptcy filing or court judgment.

PROPOSAL:

This proposal makes the following changes:

- Expresses exemptions in terms of individuals as opposed to a community, though specifies married persons may combine exemptions.
- Removes the \$750 per-item maximum for household goods.
- Increases the motor vehicle exemption to \$15,000.
- Provides that, in the case of bankruptcies:
 - Other personal property valued at \$10,000 or less is exempt, excluding personal earnings. Value of such property outside a bankruptcy case is limited \$3,000, unchanged from current law.
 - Proceeds from personal injury claims in specified circumstances are not subject to enforcement claims of creditors, except the state.
- Eliminates the specific exemption for farmers, physicians, attorneys, etc. and increases the exemption for tools and supplies and materials used to carry on a person's trade from \$10,000 to \$15,000.
- Clarifies that worker's compensation payments are not subject to seizure.

It also requires the Department of Revenue (department) to adjust the dollar amounts on a three-year interval beginning on April 1, 2026, to reflect the change in the most current consumer price index, rounded to the nearest \$25. If the adjustment

reduces the applicable amounts, no adjustment is made. The department must publish the adjusted applicable amounts on its public website by April 1st of the first year of the three-year interval.

Applicable amounts means each dollar amount in effect.

Consumer price index means the consumer price index seasonally adjusted for all urban consumers, all items, for the United States as calculated by the United States bureau of labor statistics or its successor agency.

EFFECTIVE/EXPIRATION DATE:

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

Sections 1 and 2 amend different versions of the same statute. Section 1 takes effect with the bill, expiring July 1, 2025, and Section 2 takes effect July 1, 2025.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

- The change in the consumer price index references the seasonally adjusted consumer price index for all urban consumers, all items, for the United States.
- Expressing the exemptions in terms of individuals as opposed to a community and specifying married persons may combine exemptions has the effect of doubling some of the exemptions listed above, such as the allowance for a cell phone, printer, and computer.

REVENUE ESTIMATES:

The revenue impact of this bill is indeterminate.

The increased exemptions in the bill would limit the seizure of motor vehicles, but this action is rarely taken by the department. The department is unable to quantify the impact, but estimates it would be minimally negative.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:

The department will have minimal cost of approximately \$1,300 for 20 hours of work by a tax policy specialist in fiscal year 2026 to make the value adjustments required by this legislation. The department will absorb this cost within current funding.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5173 E S SB

Title: Property exempt from exec.

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

Cities: indeterminate impact for local governments named as creditors seeking enforcement of a debt owed

Counties: same as above

Special Districts: same as above

Specific jurisdictions only:

Variance occurs due to:

Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs:

Legislation provides local option:

Key variables cannot be estimated with certainty at this time: Which local governments would be collecting debts owed through execution, attachment, or garnishment

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 03/15/2023
Leg. Committee Contact: Julie Murray	Phone: 786-7711	Date: 03/09/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/15/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 03/16/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This fiscal note reflects language in ESSB 5173, 2023 Legislative Session.

Note: A fiscal note was not completed for the first substitute, this analysis is based on a comparison with the analysis completed for the original version. The changes in this engrossed substitute version do not create any new fiscal impacts to local governments.

CHANGES BETWEEN THIS VERSION AND ORIGINAL BILL VERSION:

This Engrossed Substitute bill adds clarification requiring that each dollar amount be adjusted every three years, beginning April 1, 2026, by the Department of Revenue to reflect changes in the consumer price index for all urban consumers all items, for the United States, as calculated by the United States Bureau of Labor Statistics. It also adds definitions for "applicable amounts" and "consumer price index."

SUMMARY OF CURRENT BILL:

Execution is the legal process for enforcing a court judgment for the payment of money or property by levying on the judgment debtor's property.

Attachment is a legal process that allows a plaintiff in a court action to ask the court to attach the defendant's property during the pendency of the action as security for satisfaction of a judgment that may be rendered in favor of the plaintiff.

Garnishment is a legal process by which a judgment creditor may recover funds owed by a judgment debtor by compelling third parties to divert to the creditor certain funds owned by or owed to the debtor, such as funds held in the debtor's bank accounts or the debtor's wages held by an employer.

Washington law entitles individual debtors or households to claim certain property as exempt from execution, attachment, and garnishment. This bill would:

- Increase the value limit for certain exemptions of personal property from execution, attachment, and garnishment
- Clarify that in the case of married persons, each spouse is entitled to the exemptions of personal property from execution, attachment, and garnishment
- Require that each dollar amount be adjusted every three years, beginning April 1, 2026, by the Department of Revenue to reflect changes in the consumer price index for all urban consumers all items, for the United States, as calculated by the United States Bureau of Labor Statistics
- Exempt worker's compensation payments from execution, attachment, or garnishment

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

CHANGES IN EXPENDITURE IMPACTS BETWEEN THIS VERSION AND ORIGINAL BILL VERSION:

None

EXPENDITURE IMPACTS OF CURRENT BILL:

This bill would not impact local government expenditures because no new action is required. The process for collecting on debts would remain the same.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

CHANGES IN REVENUE IMPACTS BETWEEN THIS VERSION AND ORIGINAL BILL VERSION:

None

REVENUE IMPACTS OF CURRENT BILL:

This bill would have an indeterminate impact on local governments named as creditors seeking enforcement of a debt owed to them through the process of execution, attachment, or garnishment. This bill would increase the amount of certain property that debtors can claim as exempt from execution, attachment, or garnishment, therefore decreasing the property eligible for creditors to collect from.

It is unknown which or how many local governments would be seeking enforcements of debt collection in the future.

According to the Department of Revenue, the revenue impact of this bill is indeterminate. The department is unable to quantify the impact, but estimates it would be minimally negative.

SOURCES:

Department of Revenue fiscal note, ESSB 5173 (2023)

Engrossed Substitute Senate Bill Report, Law and Justice Committee (2/01/2023)

Senate Bill Report, SB 5173, Law and Justice Committee (1/16/2023)