LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6593 | **NOTE PREPARED:** Jan 27, 2026
BILL NUMBER: SB 197 | **BILL AMENDED:** Jan 22, 2026

SUBJECT: Garnishment.

FIRST AUTHOR: Sen. Walker G | **BILL STATUS:** As Passed Senate
FIRST SPONSOR: Rep. Zimmerman

FUNDS AFFECTED: GENERAL | **IMPACT:** State
X DEDICATED
FEDERAL

Summary of Legislation: This bill amends the limitation on garnishment provided in the Uniform Consumer Credit Code. It requires a garnishment order or attachment order that requires an employer to make deductions from a debtor's disposable earnings to provide certain information to the employer. It provides that tangible personal property, including choses in action, deposit accounts, and cash (but excluding debts owing and income owing), of $1,500 is exempt from bankruptcy (current law is $300).

The bill also removes provisions in code requiring the Department of Financial Institutions to adopt rules that establish or adjust exemption amounts for purposes of bankruptcy proceedings.

Effective Date: July 1, 2026.

Explanation of State Expenditures: *Department of Financial Institutions (DFI):* The bill removes rulemaking regarding establishing or adjusting exemption amounts for the purposes of bankruptcy proceedings. This change is expected to have minimal impact to DFI workload.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Financial Institutions; Legislative Services Agency.

Local Agencies Affected:

Information Sources:

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