



General Assembly

January Session, 2021

Raised Bill No. 6372

LCO No. 2763



Referred to Committee on BANKING

Introduced by:
(BA)

***AN ACT EXEMPTING FROM EXECUTION CERTAIN FUNDS IN A
JUDGMENT DEBTOR'S ACCOUNT.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsections (b) and (c) of section 52-367b of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2021*):

4 (b) If execution is desired against any such debt, the plaintiff
5 requesting the execution shall make application to the clerk of the court.
6 The application shall be accompanied by a fee of one hundred five
7 dollars payable to the clerk of the court for the administrative costs of
8 complying with the provisions of this section, which fee may be
9 recoverable by the judgment creditor as a taxable cost of the action. In a
10 IV-D case, the request for execution shall be accompanied by an affidavit
11 signed by the serving officer attesting to an overdue support amount of
12 five hundred dollars or more which accrued after the entry of an initial
13 family support judgment. If the papers are in order, the clerk shall issue
14 such execution containing a direction that the officer serving such
15 execution shall, within seven days from the receipt by the serving officer

16 of such execution, make demand (1) upon the main office of any
17 financial institution having its main office within the county of the
18 serving officer, (2) if such main office is not within the serving officer's
19 county and such financial institution has one or more branch offices
20 within such county, upon an employee of such a branch office, such
21 employee and branch office having been designated by the financial
22 institution in accordance with regulations adopted by the Banking
23 Commissioner, in accordance with chapter 54, or (3) only upon demand
24 of a financial institution which does not have any main office or branch
25 office in this state, by certified mail, return receipt requested, for
26 payment of any such nonexempt debt due to the judgment debtor and,
27 after having made such demand, shall serve a true and attested copy of
28 the execution, together with the affidavit and exemption claim form
29 prescribed by subsection (k) of this section, with the serving officer's
30 actions endorsed thereon, with the financial institution upon whom
31 such demand is made. The serving officer shall not serve more than one
32 financial institution execution per judgment debtor at a time, including
33 copies thereof. After service of an execution on one financial institution,
34 the serving officer shall not serve the same execution or a copy thereof
35 upon another financial institution until receiving confirmation from the
36 preceding financial institution that the judgment debtor had insufficient
37 funds at the preceding financial institution available for collection to
38 satisfy the execution, provided any such additional service is made not
39 later than forty-five days from the receipt by the serving officer of such
40 execution. After service of an execution on a financial institution, the
41 serving officer shall not subsequently serve the same execution or a copy
42 thereof upon such financial institution if an electronic direct deposit
43 [from a] that is readily identifiable [source described in subsection (c) of
44 this section] as exempt from execution was made to the judgment
45 debtor's account during the look-back period, as described in subsection
46 (c) of this section. If no such deposit was made, the serving officer may
47 subsequently serve the same execution or a copy thereof upon such
48 institution, provided such execution has not expired or otherwise
49 become unenforceable.

50 (c) (1) [If] Except as provided in subdivision (2) of this subsection, if
51 any such financial institution upon which such execution is served and
52 upon which such demand is made is indebted to the judgment debtor,
53 the financial institution shall remove from the judgment debtor's
54 account the amount of such indebtedness not exceeding the amount due
55 on such execution before its midnight deadline, as defined in section
56 42a-4-104.

57 (2) Notwithstanding the provisions of subdivision (1) of this
58 subsection, [if] the financial institution shall leave in the judgment
59 debtor's account the full amount of any electronic direct deposits that
60 are readily identifiable as [(1)] exempt from execution, including, but
61 not limited to, (A) exempt federal veterans' benefits, (B) exempt Social
62 Security benefits, including, but not limited to, retirement, survivors'
63 and disability benefits [,] and supplemental security income benefits, (C)
64 exempt benefits paid by the federal Railroad Retirement Board or the
65 federal Office of Personnel Management, (D) unemployment
66 compensation benefits exempt under section 52-352b, as amended by
67 this act, [or] (E) child support payments processed and received
68 pursuant to Title IV-D of the Social Security Act, or [(2)] (F) wages,
69 provided such readily identifiable exempt deposits were made to the
70 judgment debtor's account during the look-back period of [either the
71 sixty-day period] two months preceding the date that the execution was
72 served on the financial institution, or, with regard to federal benefits,
73 such greater period as required by federal law. [, then the financial
74 institution shall leave the lesser of the account balance or one thousand
75 dollars in the judgment debtor's account, provided nothing] If no such
76 readily identifiable exempt deposits have been made to the judgment
77 debtor's account during the look-back period, the financial institution
78 shall leave in the judgment debtor's account as exempt pursuant to
79 subsection (r) of section 52-352b the lesser of the account balance or one
80 thousand dollars.

81 (3) Nothing in this subsection shall be construed to limit a financial
82 institution's right or obligation to remove such funds from the judgment
83 debtor's account if required by any other provision of law or by a court

84 order. The judgment debtor shall have full and customary access to such
85 funds left in the judgment debtor's account pursuant to this subsection.
86 The financial institution may notify the judgment creditor that funds
87 have been left in the judgment debtor's account pursuant to this
88 subsection. Nothing in this subsection shall alter the exempt status of
89 funds which are exempt from execution under subsection (a) of this
90 section or under any other provision of state or federal law, or the right
91 of a judgment debtor to claim such exemption. Nothing in this
92 subsection shall be construed to affect any other rights or obligations of
93 the financial institution with regard to the funds in the judgment
94 debtor's account.

95 Sec. 2. Subdivision (5) of section 52-350a of the general statutes is
96 repealed and the following is substituted in lieu thereof (*Effective October*
97 *1, 2021*):

98 (5) "Earnings" means any debt accruing by reason of personal
99 services, including any compensation paid or payable by an employer
100 to an employee for such personal services, whether denominated as
101 wages, salary, commission, bonus or otherwise.

102 Sec. 3. Subsection (n) of section 52-352b of the general statutes is
103 repealed and the following is substituted in lieu thereof (*Effective October*
104 *1, 2021*):

105 (n) [Alimony] Wages, alimony and support, other than child support,
106 but only to the extent that wages are exempt from execution under
107 section 52-361a;

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021</i>	52-367b(b) and (c)
Sec. 2	<i>October 1, 2021</i>	52-350a(5)
Sec. 3	<i>October 1, 2021</i>	52-352b(n)

Statement of Purpose:

To require that financial institutions leave certain exempt funds in a judgment debtor's account.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]