



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 126** HLS 17RS 683

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2017	1:35 PM	Author: BACALA
Dept./Agy.: Sheriffs, Marshals, Constables, and Justices of the Peace		Analyst: Steven Kraemer
Subject: Garnishment Payments		

CIVIL/GARNISHMENT

OR SEE FISC NOTE LF RV

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Provides relative to payment of processing fee for certain garnishment proceedings

Purpose of Bill: This bill authorizes justices of the peace to demand and receive a fee of 6% of a garnishment judgment for processing the garnishment proceedings, half of which will go to the ward constables. In addition, this bill provides that garnishment judgments will be paid to the sheriff, marshal, constable, or justice of the peace for processing prior to being paid to the seizing creditor.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					
Annual Total						

EXPENDITURE EXPLANATION

This bill may increase expenditures for the justices of the peace (JPs) and decrease expenditures for the ward constables, but the exact impact is indeterminable. There are no other anticipated direct material effects on governmental expenditures as a result of this measure.

Based on information from the Louisiana Justice of the Peace & Constables Association, JPs may see their expenditures increase to the extent that the workload related to garnishment payments (currently handled by ward constables) is shifted to the JPs and the JPs are unable to handle the additional workload using their existing resources. However, the exact impact on JPs is indeterminable due to a lack of information regarding statewide individual practices and potential fiscal impacts. In addition, ward constables may see their expenditures decrease to the extent that the workload related to garnishment payments is shifted to the JPs and the constables are unable to use their existing resources for other work. However, the exact impact on ward constables is indeterminable due to a lack of information regarding statewide individual practices and potential fiscal impacts.

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REVENUE EXPLANATION

This bill may increase revenue for the justices of the peace (JPs) and decrease revenue for the ward constables, but the exact impact is indeterminable. However, overall governmental revenue is not expected to change.

During our work, we reviewed annual financial reports for 20 ward constables, and noted that 17 of these constables (85%) did not receive any garnishments during the year reviewed. For the remaining 3 ward constables that we reviewed (St. Tammany Parish Constable Ward 3 - A; Jefferson Parish Constable 1st Justice Court; Tangipahoa Parish Constable Ward 8), we noted that these ward constables received garnishment payments during the year reviewed. Assuming that garnishment payments remain constant, these ward constables could see their annual revenue decrease by \$9,786, \$1,783, and \$37 respectively as the 6% garnishment fee that currently goes to the ward constables will be shared with their JPs. In addition, these ward constables' JPs would see their revenues increase by the same amount.

Based on information from the Louisiana Attorney General's Office, Union Parish Sheriff, Pineville City Marshal, Shreveport City Marshal, and the Louisiana City Marshal and City Constables Association, this bill is not expected to impact the revenue of sheriffs, marshals, or city constables as it appears that this bill is putting the current practices of these entities into law.

Note: We spoke with a JP that had concerns about the legality of JPs processing/collecting garnishment payments and, as such, questioned whether the bill would have any fiscal impact if JPs were not allowed to collect such payments per the bill.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Michael G. Battle
Manager, Advisory Services



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CONTINUED EXPLANATION from page one:

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EXPENDITURE EXPLANATION

Based on information from the Jefferson Parish Constable 1st Justice Court, if the JP took over some of the garnishment workload from the constable due to this bill, there would be a negligible decrease in expenditures of the constable's office.

Based on information from the Louisiana Attorney General's Office, Union Parish Sheriff, Pineville City Marshal, Shreveport City Marshal, and the Louisiana City Marshal and City Constables Association, this bill is not expected to impact the expenditures of sheriffs, marshals, or city constables as it appears that this bill is putting the current practices of these entities into law.

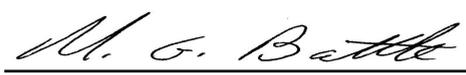
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