

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5285S.04C  
 Bill No.: SCS for SB Nos. 835 & 1111  
 Subject: Banks and Financial Institutions; Civil Procedure  
 Type: Original  
 Date: February 16, 2026

Bill Summary: This proposal modifies provisions relating to attachment, execution, and garnishment 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>(Unknown)</b> | <b>(Unknown)</b> | <b>(Unknown)</b> |

\*Loss of garnishment collections.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration - Budget and Planning** and **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, 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, SB 835 (2026), 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 **Department of Commerce and Insurance, Joint Committee on Administrative Rules, Legislative Research, 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, SB 835 (2026), 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<br>(6 Mo.)                 | FY 2028                            | FY 2029                            |
|--|------------------------------------|------------------------------------|------------------------------------|
| <b>GENERAL REVENUE</b>   |                                    |                                    |                                    |
| <u>Cost</u> – OSCA (§§513.380, 513.423, 513.430, 513.475, and 525.235)<br>Potential increase in court costs p. 3 | \$0 or<br><u>(Unknown)</u>         | \$0 or<br><u>(Unknown)</u>         | \$0 or<br><u>(Unknown)</u>         |
| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>   | <b>\$0 or<br/><u>(Unknown)</u></b> | <b>\$0 or<br/><u>(Unknown)</u></b> | <b>\$0 or<br/><u>(Unknown)</u></b> |

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

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

This act modifies provisions relating to attachment, execution, and garnishments.

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.

This act changes the maximum value, adjusted annually for inflation, of certain items that are exempt from attachment and execution, including household items, wedding rings and other jewelry, motor vehicles, and mobile homes. This act also modifies the homestead exemption from \$15,000 to the aggregate value of \$40,000.

This act provides that the maximum value for the property that is exempted from attachment and execution and the amount of a homestead exemption shall be adjusted by the Supreme Court of Missouri every three years beginning April 1, 2029.

This act 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 act. Such orders shall 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 shall attach the next business day. If an account receives electronic deposits for exempted funds, the attachment date shall 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 may be withheld from any one or more accounts and attachment dates between the accounts may 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 shall be withheld and neither the garnishor nor the financial institution shall be liable to the joint owners if the funds are later proven to be not of the judgment debtors.

The return date for orders of garnishment shall not be less than 30 days from the effective date of service. This act also provides certain information to be included in orders of garnishment for funds held by financial institutions.

No party shall 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 shall be issued within any 30-day period, unless exempted by court order as detailed in the act.

Furthermore, a financial institution does not have a duty to investigate, respond to, or assert the defenses of a judgment debtor. A financial institution served with an order of garnishment and interrogatories shall answer within 20 days and shall 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 financial institution is not required to respond to interrogatories not related to account funds.

This act does not apply to wage garnishments or garnishments of property other than account funds. Garnishees are also not required to search for, hold, or return wages or other property.

The provisions relating to orders of garnishment of account funds held by financial institutions shall be implemented and administered in accordance with rules of the Supreme Court of Missouri.

The provisions of this act relating to orders of garnishment for funds held by financial institutions shall be effective on January 1, 2028, while the provisions of this act relating to the attachment and execution are effective 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



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February 16, 2026



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