

STATE OF NEW YORK

3154

2017-2018 Regular Sessions

IN ASSEMBLY

January 27, 2017

Introduced by M. of A. RAIA, MONTESANO, FINCH, McLAUGHLIN, McDONOUGH --
Multi-Sponsored by -- M. of A. CROUCH, GOODELL, M. G. MILLER -- read
once and referred to the Committee on Judiciary

AN ACT to amend the civil practice law and rules, in relation to the
effect of restraint on judgment debtor's banking institution account

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Subdivision (i) of section 5222 of the civil practice law
2 and rules, as added by chapter 575 of the laws of 2008, is amended to
3 read as follows:

4 (i) Effect of restraint on judgment debtor's banking institution
5 account. A restraining notice issued pursuant to this section shall not
6 apply to an amount equal to or less than the greater of two hundred
7 forty times the federal minimum hourly wage prescribed in the Fair Labor
8 Standards Act of 1938 or two hundred forty times the state minimum hour-
9 ly wage prescribed in section six hundred fifty-two of the labor law as
10 in effect at the time the earnings are payable (as published on the
11 websites of the United States department of labor and the state depart-
12 ment of labor) except such part thereof as a court determines to be
13 unnecessary for the reasonable requirements of the judgment debtor and
14 his or her dependents. All or any portion of this amount derived from
15 the payment by an insurer or health maintenance organization to an
16 insured that is legitimately owed by such individual to a health care
17 provider for services rendered shall be excluded from such calculation.

18 This amount shall be equal to seventeen hundred sixteen dollars on [~~the~~
19 ~~effective date of this subdivision~~] January first, two thousand eleven,
20 and shall rise to seventeen hundred forty dollars on July twenty-fourth,
21 two thousand nine, and shall rise thereafter in tandem with the minimum
22 wage. Nothing in this subdivision shall be construed to limit a banking
23 institution's right or obligation to restrain or remove such funds from
24 the judgment debtor's account if required by 42 U.S.C. § 659 or 38

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 U.S.C. § 5301 or by a court order. Where a judgment debtor's account
2 contains an amount equal to or less than ninety percent of the greater
3 of two hundred forty times the federal minimum hourly wage prescribed in
4 the Fair Labor Standards Act of 1938 or two hundred forty times the
5 state minimum hourly wage prescribed in section six hundred fifty-two of
6 the labor law as in effect at the time the earnings are payable (as
7 published on the websites of the United States department of labor and
8 the state department of labor), the account shall not be restrained and
9 the restraining notice shall be deemed void, except as to those funds
10 that a court determines to be unnecessary for the reasonable require-
11 ments of the judgment debtor and his or her dependents. Nothing in this
12 subdivision shall alter the exempt status of funds which are exempt from
13 execution, levy, attachment or garnishment, under section fifty-two
14 hundred five of this article or under any other provision of state or
15 federal law, or the right of a judgment debtor to claim such exemption.
16 § 2. This act shall take effect immediately.