

CHAPTER 571

GARNISHMENT

571.81	Garnishment lien; priorities of creditors.	571.932	Prejudgment garnishment after notice and hearing.
571.923	Multiple earnings garnishments.		

571.81 GARNISHMENT LIEN; PRIORITIES OF CREDITORS.

[For text of subd 1, see M.S.1996]

Subd. 2. Priorities of creditors. Except as provided in this subdivision or in section 518.6111, a perfected lien by garnishment is subordinate to a preexisting voluntary or involuntary transfer, setoff, security interest, lien, or other encumbrance that is perfected, but a lien perfected by garnishment is superior to such interests subsequently perfected. Priorities of creditors relating to multiple wage garnishments are set forth in section 571.923. An assignment of earnings made by the debtor to any party within ten days before the receipt of the first garnishment on a debt is void. Any indebtedness to the garnishee incurred by the debtor within the ten days before the receipt of the first garnishment on a debt may not be set off against amounts otherwise subject to the garnishment.

[For text of subd 3, see M.S.1996]

History: 1997 c 203 art 6 s 92

571.923 MULTIPLE EARNINGS GARNISHMENTS.

Except as otherwise provided in this chapter or section 518.6111, the priority of multiple earnings garnishments shall be determined by the order in which the garnishment summonses were served on the employer. If the employer is served with two or more garnishment summonses at the same time on the same day, the garnishment summons issued pursuant to the first judgment entered has priority. If two or more garnishment summonses are served on the same day and are based on judgments entered on the same day or if there are two or more garnishment summonses based on prejudgment garnishment pursuant to section 571.93, then the employer shall select the priority of the earnings garnishments. However, in all cases except wage garnishments on judgments for child support if the judgment creditor is a county and the employer is notified by the county when the judgment is satisfied, garnishments shall be effective no longer than 70 days from the date of the service of the garnishment summons.

History: 1997 c 203 art 6 s 92

571.932 PREJUDGMENT GARNISHMENT AFTER NOTICE AND HEARING.

[For text of subds 1 to 5, see M.S.1996]

Subd. 6. Bonding requirement. (a) Before issuing an order of garnishment, the court shall require the creditor to post a bond in the penal sum of at least \$500, conditioned that if judgment be given for the debtor or if the order is vacated, the creditor will pay all costs that may be awarded against the creditor and all damages caused by the garnishment. Damages may be awarded in a sum in excess of the bond only if, before the issuance of the order establishing the amount of the bond, the debtor specifically notified the creditor and the court of the likelihood that the debtor would suffer the specific damages, or the court finds that the creditor acted in bad faith in bringing or pursuing the garnishment proceeding. In establishing the amount of the bond, the court shall consider the value and nature of the property garnished, the method of retention or storage of the property, the potential harm to the debtor or any party, and other factors that the court considers appropriate. Nothing in this section modifies or restricts the application of section 549.20 or 549.211.

(b) The court may at any time modify the amount of the bond upon its own motion or upon the motion of a party based on the value of the property garnished, the nature of the

property attached, the methods of retention or storage of the property, the potential harm to the debtor or a party, or other factor that the court considers appropriate.

(c) In lieu of filing a bond, either the creditor or the debtor may satisfy the bonding requirements by depositing cash, an irrevocable letter of credit, a cashier's check, or a certified check with the court.

[For text of subd 7, see M.S.1996]

History: 1997 c 213 art 2 s 4