The State of Maryland

Executive Department

ORDER

OF THE

GOVERNOR OF THE STATE OF MARYLAND

NUMBER 21-03-15-01

PROHIBITING GARNISHMENTS OF AMERICAN RESCUE PLAN ACT OF 2021 REBATES

WHEREAS, A state of emergency and catastrophic health emergency was proclaimed on March 5, 2020, renewed on March 17, 2020, April 10, 2020, May 6, 2020, June 3, 2020, July 1, 2020, July 30, 2020, August 10, 2020, September 8, 2020, October 6, 2020, October 29, 2020, November 25, 2020, December 23, 2020, January 21, 2021, and February 19, 2021, to control and prevent the spread of COVID-19 within the state, and the state of emergency and catastrophic health emergency still exists;

WHEREAS, COVID-19, a respiratory disease that spreads easily from person to person and may result in serious illness or death, is a public health catastrophe and has been confirmed throughout Maryland;

WHEREAS, COVID-19 has resulted in the loss of employment and other detrimental economic impacts for many Marylanders;

WHEREAS, The American Rescue Plan Act of 2021 ("ARPA") Act, Public Law Number 117-2, provides emergency financial assistance that will help Marylanders continue to pay for housing, food, and other essential needs; and

WHEREAS, It is reasonable to prohibit certain garnishments, liens, and setoffs against the emergency financial assistance paid to Marylanders under the ARPA Act, to ensure that Marylanders may use the full benefit of that financial assistance to protect their lives and property;

NOW, THEREFORE, I, LAWRENCE J. HOGAN, JR., GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND LAWS OF MARYLAND, INCLUDING BUT NOT LIMITED TO TITLE 14 OF THE PUBLIC SAFETY ARTICLE, AND IN AN EFFORT TO CONTROL AND PREVENT THE SPREAD OF COVID-19 WITHIN THE STATE, DO HEREBY ORDER:

I. Definitions. As used herein:

a. "ARPA Act Recovery Rebates" means payments made to eligible individuals pursuant to Section 9601 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (2021).

b. "Garnishment" includes, for purposes of this Order, any execution, levy, attachment, garnishment, or other legal process.

II. Prohibition on Garnishment and Setoff.

a. Except as otherwise provided by this Order:

i. ARPA Act Recovery Rebates are exempt from, and shall not be subject to, Garnishment; and

ii. all financial institutions are hereby ordered not to hold an ARPA Act Recovery Rebate of the judgment debtor under a writ of garnishment and to treat ARPA Act Recovery Rebates as protected amounts under Maryland Rules 2-645.1 and 3-645.1.

b. No banking institution or credit union incorporated under the laws of this State shall have any lien upon, or right of setoff against funds in any customer or member's account, to the extent such funds are traceable to an ARPA Act Recovery Rebate.

c. If a financial institution subjected an ARPA Act Recovery Rebate or any portion thereof to a Garnishment or sent funds to a creditor pursuant to a Garnishment issued prior to notice of this Order, before they could reasonably act to stop such Garnishment, or anytime thereafter, such financial institution shall make all reasonable efforts to unencumber or retrieve the funds in order to remit those funds to the intended recipient, of the ARPA Act Recovery Rebate, make those funds immediately available to such recipient, and promptly refund any non-sufficient funds ("NSF"), overdraft, or similar fees caused by the Garnishment of an ARPA Act Recovery Rebate or any portion thereof.

d. If a banking institution or credit union incorporated under the laws of this State subjected an ARPA Act Recovery Rebate or any portion thereof to a setoff prior to notice of this Order, before they could reasonably act to stop such setoff, or anytime thereafter, such banking institution or credit union shall promptly reverse such setoff, make those funds immediately available to the intended recipient of the ARPA Act Recovery Rebate, and promptly refund any NSF, overdraft, or similar fees caused by the setoff of an ARPA Act Recovery Rebate or any portion thereof.

III. Exclusions. Paragraph II.a shall not apply to any Garnishment in connection with any action for or judgment awarding child support.

IV. General Provisions.

a. This Order remains effective until the state of emergency has been terminated and the proclamation of the catastrophic health emergency has been rescinded, or until rescinded, superseded, amended, or revised by additional orders.

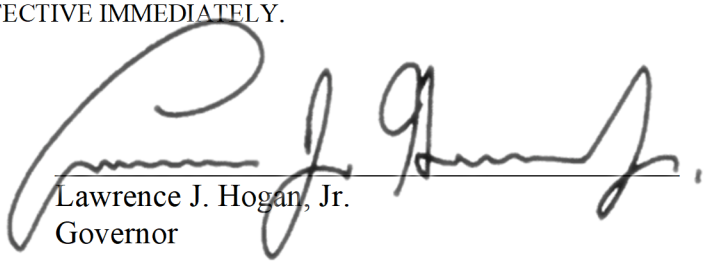
b. The effect of any statute, rule, or regulation of an agency of the State or a political

subdivision inconsistent with this Order is hereby suspended to the extent of the inconsistency.

c. The underlined paragraph headings in this Order are for convenience of reference only and shall not affect the interpretation of this Order.

d. If any provision of this Order or its application to any person, entity, or circumstance is held invalid by any court of competent jurisdiction, all other provisions or applications of the Order shall remain in effect to the extent possible without the invalid provision or application. To achieve this purpose, the provisions of this Order are severable.

ISSUED UNDER MY HAND THIS 15TH DAY OF MARCH 2021, AND EFFECTIVE IMMEDIATELY.



Lawrence J. Hogan, Jr.
Governor