STATE OF MINNESOTA
Executive Department

Governor Tim Walz

Emergency Executive Order 20-50

Ensuring the Protection of Emergency Government Support and Consumers' Financial Security from Consumer Garnishment Actions During the COVID-19 Peacetime Emergency

I, Tim Walz, Governor of the State of Minnesota, by the authority vested in me by the Constitution and applicable statutes, issue the following Executive Order:

The COVID-19 pandemic presents an unprecedented challenge to our State. Minnesota has taken proactive steps to ensure that we are ahead of the curve on COVID-19 prevention and response. On March 13, 2020, I issued Executive Order 20-01 and declared a peacetime emergency because this pandemic, an act of nature, threatens the lives of Minnesotans, and local resources are inadequate to address the threat. In Executive Order 20-01, I directed all state agencies to submit proposed orders and rules to protect and preserve public health and safety. On April 13, 2020, after notifying the Legislature, I issued Executive Order 20-35, extending the peacetime emergency declared in Executive Order 20-01.

Many Minnesotans are suffering from food insecurity, unemployment, and housing insecurity from the effects of the COVID-19 pandemic, which affects physical and mental well-being. These concerns are exacerbated by outstanding consumer debt and automatic garnishments from Minnesotans' accounts.

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") provides emergency government financial support to help Americans with their essential needs during the COVID-19 pandemic. Some Minnesotans are receiving or will receive financial assistance in the form of cash either sent by check or directly deposited into their bank accounts. Section 2201 of Title II of the CARES Act provides "recovery rebates" to individuals and families ("Recovery Rebates"). The Recovery Rebates take the form of cash assistance paid directly to individuals and families, subject to means-tested criteria, of up to $1,200 for each eligible individual or $2,400 for eligible married couples filing joint tax returns, plus an additional $500 per eligible child. Individuals and families with higher incomes receive smaller payments or no payment at all.

State, local, and tribal governments have made or may be planning to make emergency funds available to their members to help afford their lives during the COVID-19 pandemic, and I have already issued Executive Order 20-42 to ensure that those funds do not count as income (as defined in that Executive Order) when determining eligibility for programs through Minnesota's Department of Human Services.

These government emergency support funds should go toward their intended purpose—ensuring the health and safety of Minnesotans by allowing them to afford their lives during the COVID-19 pandemic. These support funds should not be intercepted by third parties or immediately garnished for consumer debt incurred before the COVID-19 pandemic. Steps must be taken to preserve these funds by limiting other garnishments as well. Such steps will bring Minnesota into alignment with recent federal actions, including those to prevent the garnishment of student loan borrowers' wages and tax refunds. Allowing CARES Act payments and other emergency governmental payments to be used for daily necessities, instead of the resolution of pre-pandemic consumer debt, will protect the public peace, health, and safety of Minnesotans during this pandemic and comports with the intent of the CARES Act as well as other emergency governmental payments.

In Minnesota Statutes 2019, section 12.02, subdivision 1, the Minnesota Legislature recognized the "existing and increasing possibility of the occurrence of natural and other disasters of major size and destructiveness" and conferred upon the Governor the emergency and disaster powers provided in Chapter 12 to "ensure the preparations of this state will be adequate to deal with disasters," to "generally protect the public peace, health, and safety," and to "preserve the lives and property of the people of the state." Pursuant to Minnesota Statutes 2019, section 12.21, subdivision 1, the Governor has general authority to control the State's emergency management as well as carry out the provisions of Minnesota's Emergency Management Act. Pursuant to subdivision 3 of that same section, the Governor may "make, amend, and rescind the necessary orders and rules to carry out the provisions" of Minnesota Statutes 2019, Chapter 12. When approved by the Executive Council and filed in the Office of the Secretary of State, such orders and rules have the force and effect of law during the pendency of a peacetime emergency. Any inconsistent rules or ordinances of any agency or political subdivision of the State are suspended during the pendency of the emergency.

For these reasons, I order as follows:

1. Beginning immediately, for all purposes other than those related to domestic support obligations such as child support and spousal maintenance ("Domestic Support Obligations"), the Recovery Rebates must be deemed to be "government assistance based on need" under Minnesota Statutes 2019, section 550.37, subdivision 14 ("Government Aid"), making them exempt from all claims—except claims for Domestic Support Obligations—by creditors, including but not limited to any contractual setoff or security interest asserted by a financial institution, attachment, garnishment, seizure, sale, or any process under Minnesota Statutes 2019, Chapters 550, 551, and 571 ("Exempted Claims").

2. Beginning immediately, for all purposes other than those related to Domestic Support Obligations, state, local, and tribal governmental payments issued to relieve the adverse

economic impact caused by the COVID-19 pandemic must be deemed to be Government Aid, making them exempt from all Exempted Claims.

3. Beginning immediately, the provisions in Minnesota Statutes 2019, Chapters 571, which permit service of a garnishment summons on a consumer debtor or consumer garnishee, are suspended. For the purposes of this Executive Order, the terms "Consumer Debtor" and "Consumer Garnishee" have the definition of "debtor" and "garnishee" as used in Minnesota Statutes section 571.712, subdivisions 2(b) and 2(c), when applied to debtors and garnishees who are natural persons and whose debt originated from the purchase of goods or services purchased primarily for a personal, family, or household purpose, and not for a commercial, agricultural, or business purpose.

4. Beginning immediately, Minnesota Statutes 2019, sections 571.93 through 571.932, which permit prejudgment garnishment on a Consumer Debtor or Consumer Garnishee, are suspended.

5. Beginning immediately, the provisions of Minnesota Statutes 2019, section 550.011, which permits a judgment creditor to obtain information about a consumer debtor's assets, liabilities, and personal earnings, are suspended.

6. No provision in this Executive Order applies to Domestic Support Obligations, including child support and spousal maintenance obligations.

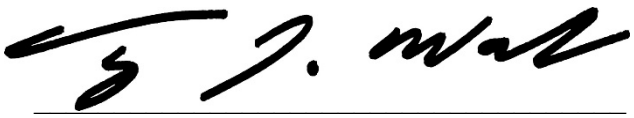
7. No provision in this Executive Order relieves a Consumer Debtor or Consumer Garnishee of any liability, including, but not limited to, any accrual of interest on outstanding debt.

8. Pursuant to Minnesota Statutes 2019, section 12.45, any person who is found to have violated this section is subject to a civil penalty of not more than $25,000 per violation. The Attorney General may investigate and bring an enforcement action to remediate and enjoin any alleged violation of this Executive Order. The authority of the Attorney General under this Executive Order includes, but is not limited to, the authority provided under Minnesota Statutes 2019, section 8.31. If a financial institution acts on a pre-existing garnishment summons and garnishes funds exempted from garnishment by paragraphs 1 or 2 of this Executive Order without actual knowledge of its source, the financial institution is not liable for any action under this Executive Order.

Pursuant to Minnesota Statutes 2019, section 4.035, subdivision 2, and section 12.32, this Executive Order is effective immediately, upon approval by the Executive Council. It remains in effect until the peacetime emergency declared in Executive Order 20-01 is terminated or until it is rescinded by proper authority.

A determination that any provision of this Executive Order is invalid will not affect the enforceability of any other provision of this Executive Order. Rather, the invalid provision will be modified to the extent necessary so that it is enforceable.

Signed on May 4, 2020.



Tim Walz
Governor

Filed According to Law:

Steve Simon
Secretary of State

Approved by the Executive Council on May 4, 2020:

Alice Roberts-Davis
Secretary, Executive Council

Filed on May 4, 2020
Office of the Minnesota
Secretary of State,
Steve Simon