SENATE BILL 6053

State of Washington 66th Legislature 2020 Regular Session

By Senators Conway, Keiser, Stanford, Kuderer, and Saldaña

Prefiled 12/06/19. Read first time 01/13/20. Referred to Committee on Labor & Commerce.

- 1 AN ACT Relating to establishing wage liens; amending RCW
- 2 36.18.016 and 49.48.086; adding new sections to chapter 43.24 RCW;
- 3 adding a new chapter to Title 60 RCW; and providing an effective
- 4 date.

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- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** This act may be known and cited as the 7 Washington wage recovery act.
- 8 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply 9 throughout this chapter unless the context clearly requires 10 otherwise.
 - (1) "Department" means the department of labor and industries.
- 12 (2) "Director" means the director of labor and industries.
- 13 (3) "Employ" includes permit to work.
- 14 (4) "Employee" includes any individual currently or formerly 15 employed by an employer.
- 16 (5) "Employer" includes any individual, partnership, association, 17 corporation, business trust, or any person or group of persons acting
- 18 directly or indirectly in the interest of an employer in relation to

19 an employee.

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- 1 (6) "Maintain" includes to maintain, clean, manage, improve, 2 protect, repair, monitor, or restore real property at the instance of 3 the owner or tenant or of any person acting by the owner's or 4 tenant's authority.
- 5 (7) "Wage claim" means a claim for any unpaid wages owed to the claimant as an employee of an employer, as well as any other compensation, interest, statutory damages, liquidated damages, or statutory penalties that may be owed for violation of a state or 9 federal wage law, including but not limited to chapters 39.12, 49.12, 49.46, 49.48, and 49.52 RCW, and the fair labor standards act, 29 U.S.C. Sec. 201 et seg.
- NEW SECTION. Sec. 3. (1)(a) A person has a wage lien for wage 13 claims on:
- 14 (i) Any property in the state of Washington that is owned or is 15 subsequently acquired by the person's employer;
- (ii) Any property in the state of Washington that is owned or is subsequently acquired by an officer, vice principal, or agent of the employer who is personally liable for a wage claim under RCW 49.52.070; and
- 20 (iii) Any real property in the state of Washington that the 21 person has maintained, for all wage claims for maintenance of that 22 property.
 - (b) A person does not have a wage lien under this chapter on any property that is or would be subject to a lien by that person under chapter 60.04 RCW.
 - (2) A wage lien is not effective against:

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- (a) With respect to goods as defined in RCW 62A.9A-102, a buyer in the ordinary course of business, as such term is defined in RCW 62A.1-201(b)(9); or
- 30 (b) Third persons who, prior to the filing of the wage lien 31 notice required under this chapter, acquired title in good faith, for 32 value and without actual notice of the wage lien, to property other 33 than goods.
- 34 (3) Chapter 62A.9A RCW of the uniform commercial code does not apply to a wage lien on personal property under this chapter.
- 36 (4) A person, other than a consumer as defined in RCW 62A.1-201, 37 who controls or possesses amounts payable to the employer that are 38 not health-care-insurance receivables as defined in chapter 62A.9A 39 RCW, and that are properly encumbered by a wage lien upon an account

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receivable, is not obligated to pay a lien claimant amounts to which 1 2 the wage lien has attached until that person receives written notice of such lien, nor is the person liable to the lien claimant for any 3 amounts paid out prior to receipt of notice of the wage lien. The 4 notice required must state that the amount due or to become due has 5 6 been assigned by operation of this chapter and that payment is to be 7 made to the lien claimant, and it must contain the information described in section 4 of this act. After receipt of the notice, the 8 person responsible for payment of such amounts may discharge its 9 obligation by paying the lien claimant and may not discharge the 10 11 obligation by paying the employer. If requested by the person responsible for payment of such amounts, the lien claimant must, 12 within a reasonable time, furnish reasonable proof that the wage lien 13 continues to exist, and unless such proof is furnished, that person 14 has no obligation to pay the lien claimant and may discharge its 15 16 obligation by paying the employer. A written, signed statement from 17 the employee that the wages that form the basis for the wage lien have not been paid in the time after filing the wage lien constitutes 18 "reasonable proof" for this purpose. Failure to furnish any notice as 19 provided in this section does not affect the status of the wage lien 20 21 established under this chapter in regard to the relationship with 22 other creditors.

23 (5) This chapter does not affect the ownership or title in 24 personal or real property of the state or other public entity or 25 public ownership, nor does any lien attach to the fee simple title of 26 the state or other public ownership.

- NEW SECTION. Sec. 4. (1) To establish a wage lien on real property, the lien claimant must:
- 29 (a) File for recording a notice of claim of wage lien in the 30 county where the property is located that includes:
- 31 (i) The name, telephone number, and address of the lien claimant 32 and, if the wage lien has been assigned, the name of the person who 33 assigned the lien;
 - (ii) The name of the employer;

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- 35 (iii) The street address, legal description, and parcel number of 36 the real property to be charged with the wage lien;
- 37 (iv) The name of the owner or reputed owner of the property, if 38 known, and if not known, a statement saying the name of the owner is 39 not known;

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- 1 (v) The amount for which the wage lien is claimed;
- 2 (vi) The signature of the lien claimant or of a person authorized 3 to act on his or her behalf; and
- 4 (vii) An acknowledgment and certification as set forth in 5 subsection (4) of this section;
- 6 (b) Pay a filing fee to the county auditor as required by RCW 36.18.010; and
- 8 (c) Mail a copy of the notice filed under this subsection (1) to 9 the employer's registered agent, the employer's registered business 10 address, or the address where the employer resides, and to the 11 property owner if known and if the employer is not the property 12 owner, by certified mail with return receipt requested.
- 13 (2) To establish a wage lien on personal property, other than a 14 vehicle or vessel, the lien claimant must:
- 15 (a) File for recording a notice of claim of wage lien with the department of licensing that includes:
 - (i) The name, telephone number, and address of the lien claimant and, if the wage lien has been assigned, the name of the person who assigned the lien;
 - (ii) The name of the employer;

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- 21 (iii) A description of the personal property subject to the wage 22 lien or a statement that the wage lien covers all personal property;
- (iv) The name of the owner or reputed owner of the property, if known, and if not known, a statement saying the name of the owner is not known;
 - (v) The principal amount for which the wage lien is claimed;
- (vi) The signature of the lien claimant or of a person authorized to act on his or her behalf; and
- 29 (vii) An acknowledgment and certification as set forth in 30 subsection (4) of this section;
- 31 (b) Pay a filing fee established by the department of licensing.
 32 All receipts from fees collected under this subsection shall be
 33 deposited into the department of licensing wage lien account created
 34 under section 17 of this act. Moneys in the fund may be spent only
 35 after appropriation and may be used only to administer the wage lien
 36 filings in this subsection; and
- 37 (c) Mail a copy of the notice filed under this subsection (2) to 38 the employer's registered agent, the employer's registered business 39 address, or the address where the employer resides, by certified mail 40 with return receipt requested.

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- 1 (3) To establish a wage lien on a vehicle or vessel, the lien 2 claimant must:
- 3 (a) File for recording a notice of claim of wage lien with the department of licensing that includes:
- 5 (i) The name, telephone number, and address of the lien claimant 6 and, if the wage lien has been assigned, the name of the person who 7 assigned the lien;
 - (ii) The name of the employer;

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- 9 (iii) A description of the vehicle or vessel subject to the wage 10 lien and the vehicle identification number or hull identification 11 number of the vehicle or vessel;
- (iv) The name of the registered or legal owner or reputed owner
 of the property, if known, and if not known, a statement saying the
 name of the owner is not known;
 - (v) The principal amount for which the wage lien is claimed;
- 16 (vi) The signature of the lien claimant or of a person authorized 17 to act on his or her behalf; and
- 18 (vii) An acknowledgment and certification as set forth in 19 subsection (4) of this section;
- 20 (b) Pay a filing fee to the department of licensing as required 21 under RCW 46.17.005; and
 - (c) Mail a copy of the notice filed under this subsection to the employer's registered agent, the employer's registered business address, or the address where the employer resides, by certified mail with return receipt requested.
- 26 (4) A notice of claim of wage lien, acknowledgment, and 27 certificate that is substantially in the following form is sufficient 28 to satisfy subsections (1)(a) and (3)(a) of this section, provided it 29 complies with the formatting requirements of RCW 65.04.045 (1)(a) and 30 (b), (2), and (3):
- 31 When Recorded Return to:...........
- 32 CLAIM OF WAGE LIEN
- 33 ..., claimant, vs. ..., name of person indebted to 34 claimant:
- Notice is hereby given that the claimant named below asserts a wage lien pursuant to chapter 60.--- RCW (the new chapter created in

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| 1 2 | section 19 of this act). In support of this wage lien the following information is submitted: |
|--------|---|
| 2 | INIOIMACION IS SUBMICCEO. |
| 3 | 1. NAME OF LIEN CLAIMANT: |
| 4 | TELEPHONE NUMBER: |
| 5 | ADDRESS: |
| 6 | 2. NAME OF EMPLOYER: |
| 7 | 3. DESCRIPTION OF THE PROPERTY AGAINST WHICH A WAGE LIEN IS |
| 8 | CLAIMED (If real property, state the street address, legal |
| 9 | description, and parcel number. If personal property, provide |
| 10 | information that will reasonably describe the property, or statement |
| 11 | that the wage lien covers all personal property. If a vehicle or |
| 12 | vessel, the vehicle identification number or hull identification |
| 13 | number of the vehicle or vessel): |
| 14 | |
| 15 | |
| 16 | |
| 17 | |
| 18 | 4. NAME OF REGISTERED OR LEGAL OWNER OR REPUTED OWNER (If not |
| 19 | known, state "Unknown") |
| 20 | |
| 21 | 5. PRINCIPAL AMOUNT FOR WHICH THE WAGE LIEN IS CLAIMED IS: |
| 22 | |
| 23 | 6. IF THE CLAIMANT IS THE ASSIGNEE OF THIS CLAIM SO STATE HERE |
| 24 | AND STATE THE NAME OF THE ASSIGNOR: |
| 25 | |
| 26 | 7. IF THE PERSON SIGNING THIS CLAIM OF WAGE LIEN IS NOT THE |
| 27 | CLAIMANT, BUT IS AUTHORIZED TO ACT ON THE CLAIMANT'S BEHALF, STATE |
| 28 | THE PERSON'S NAME AND REPRESENTATIVE CAPACITY: |
| 29 | NAME: |
| 30 | REPRESENTATIVE CAPACITY (e.g., officer or employee of claimant; |
| 31 | attorney or agent; representative of lien filing service; |

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| 1 2 3 | administrator, representative, or agent of trustees of employee benefit plan): |
|--------------------------------|---|
| 4 | ACKNOWLEDGMENT |
| 5 | FOR AN ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY: |
| 6 | STATE OF WASHINGTON, COUNTY OF |
| 7 | , SS. |
| 8 9 10 11 12 13 | person) , being sworn, says: I, (name of person) , am the claimant. I have read the foregoing claim of wage lien, believe the claim of wage lien to be true and correct under penalty of perjury, and believe the claim of wage lien is not frivolous, is made with reasonable cause, and is not clearly excessive. The foregoing claim of wage lien is my free and voluntary act for the uses and purposes stated therein. |
| 15 | |
| 16 | |
| 17 | |
| 18 | |
| 19 | (Signature) |
| 20 | FOR AN ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY: |
| 21 | STATE OF WASHINGTON, COUNTY OF |
| 22 | , ss. |
| 23 | , being sworn, says: I, (name of person), am |
| 24 | authorized to act on behalf of the claimant. I have read the |
| 25 26 | foregoing claim of wage lien, believe the claim of wage lien to be |
| 26 27 | true and correct under penalty of perjury, and believe the claim of wage lien is not frivolous, is made with reasonable cause, and is not |
| 28 | clearly excessive. The foregoing claim of wage lien is the free and |
| 29 | voluntary act of the claimant for the uses and purposes stated |
| - | |

therein.

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| 1 | Dated: |
|--|---|
| 2 | |
| 3 | |
| 4 5 | (Signature) |
| 6 | CERTIFICATE |
| 7 | FOR A CERTIFICATE OF ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY: |
| 8 9 10 11 12 | I certify that I know or have satisfactory evidence that (name of person) is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument. |
| 13 | |
| 14 | |
| 15 | |
| 16 17 | (Signature) |
| 18 | (Seal or stamp) |
| 19 | |
| 20 | My appointment |
| 21 | Expires |
| 22 | FOR A CERTIFICATE OF ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY: |
| 232425 | I certify that I know or have satisfactory evidence that (name of person) is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath |
| 2627 | stated that he/she was authorized to execute the instrument and acknowledged it as the (type of authority, e.g., officer or |
| 28 | employee, etc.) of (name of party on behalf of whom |

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| 1 | instrument was executed) to be the free and voluntary act of |
|----|---|
| 2 | such party for the uses and purposes mentioned in the instrument. |
| 3 | |
| 4 | |
| 5 | |
| 6 | (Signature) |
| 7 | (Seal or Stamp) |
| 8 | Title |
| 9 | My appointment |
| 10 | Expires |
| | |

(4) (a) For a notice of claim of wage lien on real property filed under this section, the notice must comply with the recording standards in chapter 65.04 RCW and the county auditor shall record the notice in the same manner as deeds and other instruments of title are recorded under chapter 65.08 RCW. Notices of claim of wage lien for registered land need not be recorded in the Torrens register.

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- 17 (b) For a notice of claim of wage lien on personal property, 18 including vehicles and vessels, filed under this section, the 19 department of licensing shall record the notice.
- 20 (5) The notice of claim of wage lien must be filed within a 21 period of two years from when the wages were first due.
 - (6) Mistakes or errors in the claimed amount owed do not invalidate the wage lien unless made with the intent to defraud.
- 24 (7) A wage lien under this chapter continues in all identifiable 25 proceeds of the property subject to the wage lien.
- NEW SECTION. Sec. 5. Any wage lien or right of wage lien created by this chapter and the right of action to recover the wage lien is assignable so as to vest in the assignee all rights and remedies of the assignor, subject to all defenses thereto that might be made.
- NEW SECTION. Sec. 6. (1) A wage lien may be judicially foreclosed by an action in:

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1 (a) The superior court in the county in which the real property 2 is located;

- (b) The district court in the county in which the personal property is located if the value of the claim does not exceed the jurisdictional limit of the district court provided in RCW 3.66.020; or
- (c) The superior court in the county in which the personal property is located if the value of the claim exceeds the jurisdictional limit of the district court provided in RCW 3.66.020.
- (2) Except as provided in subsection (3) of this section, if the claimant has instituted an action in a court of this state for the wage claim that is the subject of the wage lien, that action shall be deemed an action to foreclose on any property subject to the lien. An action to foreclose the wage lien must be filed within one year of the date the wage lien was recorded.
- (3) (a) If the claimant receives a judgment on a wage claim from a federal, state, or municipal court, the judgment establishes the amount owed for the purposes of foreclosure under this chapter.
- (b) If the claimant receives a judgment on a wage claim from a federal, state, or municipal court, that does not have jurisdiction over the claimant's wage lien, the action to foreclose the wage lien must be filed within one year of the date of that court's judgment.
 - (4) (a) A wage lien may also be foreclosed by:
- (i) The department using the department's collection procedures under RCW 49.48.086 when the claimant has pursued a wage claim in an administrative proceeding and a final and binding citation and notice of assessment has been issued; or
- (ii) The claimant if a final and binding citation and notice of assessment has been issued by the department and the claimant has timely notified the department that the claimant will pursue foreclosure action on his or her own, without the department's assistance.
- (b) The citation and notice of assessment issued by the department establishes the amount owed for the purpose of foreclosure under this chapter.
- (5) A foreclosure action may be brought by the employee individually, the department, the United States department of labor, the office of the attorney general, or a representative of the employee, including a collective bargaining representative or class representative. Multiple wage claims against the same employer may be

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joined in a single proceeding, but the court may order separate trials or hearings.

- (6) In the judgment resulting from an action to foreclose on the wage lien, the court may order the sale at sheriff's auction or the transfer to the lien claimant of title or possession of any property subject to the wage lien. Whether or not the court makes such an order as part of the judgment, a writ of sale may be issued for any property subject to the wage lien for ten years after a judgment for a wage claim is issued. A wage lien based on an underlying judgment continues in force for an additional ten-year period if the period of execution for the underlying judgment is extended under RCW 6.17.020.
- (7) In an action to foreclose on a wage lien on a vehicle or vessel, the lien claimant must comply with the requirements of subsection (1) of this section and any other requirements of the department of licensing regarding transferring title and taking ownership of the vehicle or vessel.
- 17 (8) A lien claimant who prevails in a foreclosure action is 18 entitled to costs and reasonable attorneys' fees.
 - NEW SECTION. Sec. 7. (1) The lien provided by this chapter, for which claims of lien have been recorded, may be foreclosed and enforced as provided under section 6 of this act. The court shall have the power to order the sale of the property. In any action brought to foreclose a lien, the owner shall be joined as a party. The interest in the real property of any person who, prior to the commencement of the action, has a recorded interest in the property, or any part thereof, shall not be foreclosed or affected unless they are joined as a party.
 - (2) A person shall not begin an action to foreclose a lien upon any property while a prior action begun to foreclose another lien on the same property is pending, but if not made a party plaintiff or defendant to the prior action, he or she may apply to the court to be joined as a party thereto, and his or her lien may be foreclosed in the same action. The filing of such application shall toll the running of the period of limitation until disposition of the application or other time set by the court.
 - (3) The court shall grant the application for joinder unless to do so would create an undue delay or cause hardship which cannot be cured by the imposition of costs or other conditions as the court deems just.

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(4) If a lien foreclosure action is filed during the pendency of another such action, the court may, on its own motion or the motion of any party, consolidate actions upon such terms and conditions as the court deems just, unless to do so would create an undue delay or cause hardship which cannot be cured by the imposition of costs or other conditions. If consolidation of actions is not permissible under this chapter, the lien foreclosure action filed during the pendency of another such action shall not be dismissed if the filing was the result of mistake, inadvertence, surprise, excusable neglect, or irregularity. An action to foreclose a lien shall not be dismissed at the instance of a plaintiff therein to the prejudice of another party to the suit who claims a lien.

<u>NEW SECTION.</u> **Sec. 8.** (1) A wage lien is extinguished:

- 14 (a) If an action for the underlying wage claim is not brought 15 within one year of the date the wage lien was recorded;
 - (b) If the action for the underlying wage claim is dismissed with prejudice and no appeal is filed within the applicable appeals period. If an appeal is filed, the wage lien continues in force until final judgment is rendered; or
- 20 (c) Upon payment and acceptance of payment for the employee's 21 wage claim.
 - (2) (a) When the wage lien has been extinguished, the lien claimant shall, within fifteen days, file a release of the wage lien at the place where the wage lien was recorded and pay a filing fee established by the agency where the notice is filed. If a lien claimant fails to file a release of the wage lien, upon demand and fifteen days' notice by the employer or any affected party, mailed to the lien claimant's address as indicated on the notice of the wage lien by certified mail with return receipt requested, the employer or affected party may petition the court for an order releasing the wage lien. If the lien claimant acted unreasonably and in bad faith in refusing to file a release of the wage lien, the employer or affected party shall be entitled to recover its attorneys' fees and costs incurred in the action, and the court in its discretion may also issue a fine not to exceed one thousand dollars.
 - (b) The release must include:
- 37 (i) the name, telephone number, address, and relationship to the 38 wage lien of the person filing the notice;

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| 1 | (ii) The name, telephone number, and address of the lien |
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| 2 | claimant; |
| 3 | (iii) The name of the employer; |
| 4 | (iv) A description of the property subject to the wage lien; |
| 5 | (v) The amount for which the wage lien was claimed; |
| 6 | (vi) The signature of the lien claimant, the lien claimant's |
| 7 | assignor, or a person authorized to act on the lien claimant's |
| 8 | behalf; |
| 9 | (vii) A certified acknowledgment as set forth in subsection (4) |
| 10 | of this section; and |
| 11 | (viii) The reference number of the original or amended wage lien. |
| 12 | (3) The person filing the notice must mail a copy of the notice |
| 13 | to the person against whom the lien claim was made by first-class |
| 14 | mail within ten days of filing the notice. |
| 15 | (4)(a) A release of wage lien on real property must comply with |
| 16 | the recording standards established in RCW 65.04.045 and the county |
| 17 | auditor shall record the release in the same manner as deeds and |
| 18 | other instruments of title are recorded under chapter 65.08 RCW. |
| 19 | (b) A release of wage lien substantially in the following form is |
| 20 | sufficient, provided it complies with the formatting requirements of |
| 21 | RCW 65.04.045 (1)(a) and (b), (2), and (3): |
| 22 | When Recorded Return to: |
| 23 | NOTICE OF RELEASE OF WAGE LIEN |
| 24 | , claimant, vs , name of person indebted to |
| 25 | claimant: |
| 26 | Notice is hereby given that the wage lien described below is |
| 27 | released. |
| | |
| 28 | 1. NAME OF PERSON FILING NOTICE OF RELEASE: |
| 29 | TELEPHONE NUMBER: |
| 30 | ADDRESS: |
| 31 | RELATIONSHIP TO WAGE LIEN (lien claimant, representative of lien |
| 32 | claimant, assignee of lien claimant): |
| 33 | IF THE PERSON SIGNING THIS NOTICE IS NOT THE CLAIMANT, BUT IS |
| 34 | AUTHORIZED TO ACT ON BEHALF OF THE CLAIMANT, STATE THE PERSON'S NAME |

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| 1 | AND REPRESENTATIVE CAPACITY (e.g., officer or employee of claimant; |
|----|--|
| 2 | attorney or agent; representative of lien filing service; |
| 3 | administrator, representative, or agent of trustees of employee |
| 4 | benefit plan): |
| 5 | |
| 6 | 2. NAME OF LIEN CLAIMANT: |
| 7 | TELEPHONE NUMBER: |
| 8 | ADDRESS: |
| 9 | 3. NAME OF EMPLOYER: |
| 10 | 4. DESCRIPTION OF THE PERSONAL PROPERTY AGAINST WHICH THE LIEN IS |
| 11 | CLAIMED OR FOR A LIEN ON REAL PROPERTY: (1) THE REFERENCE NUMBER OF |
| 12 | PREVIOUSLY FILED LIEN, (2) AN ABBREVIATED LEGAL DESCRIPTION OF THE |
| 13 | PROPERTY AS DESCRIBED IN RCW 65.04.045, AND (3) THE PARCEL NUMBER OF |
| 14 | THE REAL PROPERTY: |
| 15 | |
| 16 | |
| 17 | |
| 18 | |
| 19 | 5. NAME OF REGISTERED OR LEGAL OWNER OR REPUTED OWNER (If not |
| 20 | known, state "Unknown") |
| 21 | |
| 22 | |
| 23 | |
| 24 | 6. AMOUNT OF WAGE LIEN CLAIM: |
| 25 | ACKNOWLEDGMENT |
| 26 | FOR AN ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY: |
| 27 | STATE OF WASHINGTON, COUNTY OF |
| 28 | , SS. |
| 29 | , being sworn, says: I, (name of person), am |
| 30 | the (claimant/assignee of the claimant). I have read the foregoing |
| 31 | release of wage lien and believe the notice to be true and correct |

under penalty of perjury.

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| 1 | Dated: |
|----------------------------|---|
| 2 | |
| 3 | |
| 4 | (Signature) |
| 5 | FOR AN ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY: |
| 6 | STATE OF WASHINGTON, COUNTY OF |
| 7 | , SS. |
| 8 9 10 11 | , being sworn, says: I, (name of person) , am authorized to act on behalf of (claimant/assignee of the claimant). I have read the foregoing release of wage lien and believe the notice to be true and correct under penalty of perjury. |
| 12 | |
| 13 | |
| 14 15 | (Signature) |
| 16 | CERTIFICATE |
| 17 | FOR A CERTIFICATE OF ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY: |
| 18 19 20 21 22 | I certify that I know or have satisfactory evidence that (name of person) is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his/her free and voluntary act for the uses and purposes mentioned in the instrument. |
| 23 | Dated: |
| 24 | |
| 25 | |
| 26 | (Signature) |
| 27 | (Seal or stamp) |

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| Τ | Title |
|-----|---|
| 2 | My appointment |
| 3 | Expires |
| 4 | FOR A CERTIFICATE OF ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY: |
| 5 | I certify that I know or have satisfactory evidence that |
| 6 | (name of person) is the person who appeared before me, and said |
| 7 | person acknowledged that he/she signed this instrument, on oath |
| 8 | stated that he/she was authorized to execute the instrument and |
| 9 | acknowledged it as the (type of authority, e.g., officer or |
| 10 | employee, etc.) of (name of party on behalf of whom |
| 11 | instrument was executed) to be the free and voluntary act of |
| 12 | such party for the uses and purposes mentioned in the instrument. |
| 13 | Dated: |
| 14 | |
| 15 | |
| 16 | (Signature) |
| 17 | (Seal or stamp) |
| 18 | Title |
| 19 | My appointment |
| 2.0 | |
| 20 | Expires |
| 21 | NEW SECTION. Sec. 9. (1) Except as provided in subsections (2) |
| 22 | and (3) of this section, a wage lien recorded under this chapter has |
| 23 | priority over all other debts, judgments, decrees, liens, or security |
| 24 | interests against the property subject to the wage lien, regardless |
| 25 | as to whether these debts, judgments, decrees, liens, or security |
| 26 | interests originated before or after the wage lien, and regardless of |
| 27 | whether these debts, judgments, decrees, liens, or security interests |
| 28 | were perfected prior to the wage lien. A wage lien recorded under |
| 29 | this chapter has priority over a lien or security interest of a |
| 30 | financial institution only up to four percent of the financial |

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- institution's security interest in the property that is encumbered by the wage lien.
- 3 (2) A statutory lien for wages owed, including but not limited to 4 liens under chapters 60.04, 60.11, 60.16, 60.24, 60.28, 60.34, and 5 60.76 RCW, ranks according to priority in time of filing.

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- (3) (a) A wage lien recorded under this chapter does not have priority over a lien for taxes that the department of revenue or any other government entity is authorized or required to collect and that originates before a lien recorded under this chapter.
- 10 (b) A wage lien recorded under this chapter does not have 11 priority over liens or income withholding for child support 12 obligations.
- 13 (4) A wage lien is effective against the estate of the employer.
- NEW SECTION. Sec. 10. A contract between an employer and employee may not waive or require an employee to waive the right to a wage lien under this chapter. A provision of a contract made in violation of this section is void as against the public policy of this state.
- NEW SECTION. Sec. 11. The claim of wage lien, when filed as required by this chapter, constitutes notice to the spouse or the domestic partner of the person who appears on record to be the owner of the property sought to be charged with the wage lien, and subjects all the community interest of both spouses or both domestic partners to the wage lien.
- 25 <u>NEW SECTION.</u> **Sec. 12.** (1) Any owner of real or personal property subject to a recorded claim of lien under this chapter, or 26 lender or lien claimant who believes the claim of lien to be 27 28 frivolous and made without reasonable cause or clearly excessive, may apply by motion to the appropriate court, as specified under section 29 6 of this act, for the county where the property or some part thereof 30 is located, for an order directing the lien claimant to appear before 31 the court at a time no earlier than six nor later than fifteen days 32 following the date of service of the application and order on the 33 lien claimant, and show cause, if any he or she has, why the relief 34 requested should not be granted. The motion shall state the grounds 35 upon which relief is asked, and shall be supported by the affidavit 36

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of the applicant or his or her attorney setting forth a concise statement of the facts upon which the motion is based.

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- (2) The order shall clearly state that if the lien claimant fails to appear at the time and place noted the lien shall be released, with prejudice, and that the lien claimant shall be ordered to pay the costs requested by the applicant including reasonable attorneys' fees.
- 8 (3) If no action to foreclose the lien claim has been filed, the 9 clerk of the court shall assign a cause number to the application and 10 obtain from the applicant a filing fee pursuant to RCW 36.18.016(18). 11 If an action has been filed to foreclose the lien claim, the 12 application shall be made a part of that action.
- (4) If, following a hearing on the matter, the court determines 13 14 that the lien is frivolous and made without reasonable cause, or clearly excessive, the court shall issue an order releasing the lien 15 16 if frivolous and made without reasonable cause, or reducing the lien 17 if clearly excessive, and awarding costs and reasonable attorneys' fees to the applicant to be paid by the lien claimant. If the court 18 determines that the lien is not frivolous and was made with 19 reasonable cause, and is not clearly excessive, the court shall issue 20 21 an order so stating and awarding costs and reasonable attorneys' fees to the lien claimant to be paid by the applicant. 22
- 23 (5) Proceedings under this section shall not affect other rights 24 and remedies available to the parties.
- NEW SECTION. Sec. 13. This chapter is to be liberally construed to provide security for all persons intended to be protected by its provisions.
- 28 **Sec. 14.** RCW 36.18.016 and 2018 c 36 s 7 are each amended to 29 read as follows:
- 30 (1) Revenue collected under this section is not subject to division under RCW 36.18.025 or 27.24.070.
- 32 (2)(a) For the filing of a petition for modification of a decree 33 of dissolution or paternity, within the same case as the original 34 action, and any party filing a counterclaim, cross-claim, or third-35 party claim in any such action, a fee of thirty-six dollars must be 36 paid.
- 37 (b) The party filing the first or initial petition for 38 dissolution, legal separation, or declaration concerning the validity

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of marriage shall pay, at the time and in addition to the filing fee required under RCW 36.18.020, a fee of fifty-four dollars. The clerk of the superior court shall transmit monthly forty-eight dollars of the fifty-four dollar fee collected under this subsection to the state treasury for deposit in the domestic violence prevention account. The remaining six dollars shall be retained by the county for the purpose of supporting community-based domestic violence services within the county, except for five percent of the six dollars, which may be retained by the court for administrative purposes. On or before December 15th of each year, the county shall report to the department of social and health services revenues associated with this section and community-based domestic violence services expenditures. The department of social and health services shall develop a reporting form to be utilized by counties for uniform reporting purposes.

(3) (a) The party making a demand for a jury of six in a civil action shall pay, at the time, a fee of one hundred twenty-five dollars; if the demand is for a jury of twelve, a fee of two hundred fifty dollars. If, after the party demands a jury of six and pays the required fee, any other party to the action requests a jury of twelve, an additional one hundred twenty-five dollar fee will be required of the party demanding the increased number of jurors.

- (b) Upon conviction in criminal cases a jury demand charge of one hundred twenty-five dollars for a jury of six, or two hundred fifty dollars for a jury of twelve may be imposed as costs under RCW 10.46.190.
- (4) For preparing a certified copy of an instrument on file or of record in the clerk's office, for the first page or portion of the first page, a fee of five dollars, and for each additional page or portion of a page, a fee of one dollar must be charged. For authenticating or exemplifying an instrument, a fee of two dollars for each additional seal affixed must be charged. For preparing a copy of an instrument on file or of record in the clerk's office without a seal, a fee of fifty cents per page must be charged. When copying a document without a seal or file that is in an electronic format, a fee of twenty-five cents per page must be charged. For copies made on a compact disc, an additional fee of twenty dollars for each compact disc must be charged.
- 39 (5) For executing a certificate, with or without a seal, a fee of 40 two dollars must be charged.

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- 1 (6) For a garnishee defendant named in an affidavit for 2 garnishment and for a writ of attachment, a fee of twenty dollars 3 must be charged.
 - (7) For filing a supplemental proceeding, a fee of twenty dollars must be charged.

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- (8) For approving a bond, including justification on the bond, in other than civil actions and probate proceedings, a fee of two dollars must be charged.
- (9) For the issuance of a certificate of qualification and a certified copy of letters of administration, letters testamentary, or letters of quardianship, there must be a fee of five dollars.
- (10) For the preparation of a passport application, the clerk may collect an execution fee as authorized by the federal government.
- (11) For clerk's services such as performing historical searches, compiling statistical reports, and conducting exceptional record searches, the clerk may collect a fee not to exceed thirty dollars per hour.
- 18 (12) For processing ex parte orders, the clerk may collect a fee 19 of thirty dollars.
- 20 (13) For duplicated recordings of court's proceedings there must 21 be a fee of ten dollars for each audiotape and twenty-five dollars 22 for each video or other electronic storage medium.
- 23 (14) For registration of land titles, Torrens Act, under RCW 65.12.780, a fee of twenty dollars must be charged.
- 25 (15) For the issuance of extension of judgment under RCW 6.17.020 26 and chapter 9.94A RCW, a fee of two hundred dollars must be charged. 27 When the extension of judgment is at the request of the clerk, the 28 two hundred dollar charge may be imposed as court costs under RCW 29 10.46.190.
- 30 (16) A facilitator surcharge of up to twenty dollars must be 31 charged as authorized under RCW 26.12.240.
- 32 (17) For filing an adjudication claim under RCW 90.03.180, a fee 33 of twenty-five dollars must be charged.
 - (18) For filing a claim of frivolous lien under RCW 60.04.081 or section 12 of this act, a fee of thirty-five dollars must be charged.
- 36 (19) For preparation of a change of venue, a fee of twenty 37 dollars must be charged by the originating court in addition to the 38 per page charges in subsection (4) of this section.
- 39 (20) A service fee of five dollars for the first page and one 40 dollar for each additional page must be charged for receiving faxed

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- documents, pursuant to Washington state rules of court, general rule 17.
- 3 (21) For preparation of clerk's papers under RAP 9.7, a fee of 4 fifty cents per page must be charged.
- 5 (22) For copies and reports produced at the local level as 6 permitted by RCW 2.68.020 and supreme court policy, a variable fee 7 must be charged.
- 8 (23) Investment service charge and earnings under RCW 36.48.090 9 must be charged.
- 10 (24) Costs for nonstatutory services rendered by clerk by 11 authority of local ordinance or policy must be charged.

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- (25) For filing a request for civil arbitration, a filing fee may be assessed against the party filing a statement of arbitrability not to exceed two hundred fifty dollars as established by authority of local ordinance. Two hundred twenty dollars of this charge shall be used to offset the cost of the civil arbitration program. Thirty dollars of each fee collected under this subsection must be used for indigent defense services.
- (26) For filing a request for trial de novo of a civil arbitration award, a fee not to exceed four hundred dollars as established by authority of local ordinance must be charged.
- (27) A public agency may not charge a fee to a law enforcement agency, for preparation, copying, or mailing of certified copies of the judgment and sentence, information, affidavit of probable cause, and/or the notice of requirement to register, of a sex offender convicted in a Washington court, when such records are necessary for risk assessment, preparation of a case for failure to register, or maintenance of a sex offender's registration file.
- 29 (28) For the filing of a will or codicil under the provisions of 30 chapter 11.12 RCW, a fee of twenty dollars must be charged.
- 31 (29) For the collection of an adult offender's unpaid legal 32 financial obligations, the clerk may impose an annual fee of up to 33 one hundred dollars, pursuant to RCW 9.94A.780.
- 34 (30) A surcharge of up to twenty dollars may be charged in dissolution and legal separation actions as authorized by RCW 36 26.12.260.
- 37 The revenue to counties from the fees established in this section 38 shall be deemed to be complete reimbursement from the state for the 39 state's share of benefits paid to the superior court judges of the

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- 1 state prior to July 24, 2005, and no claim shall lie against the 2 state for such benefits.
- 3 **Sec. 15.** RCW 49.48.086 and 2014 c 210 s 1 are each amended to 4 read as follows:

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- (1) After a final order is issued under RCW 49.48.084, if an employer defaults in the payment of: (a) Any wages determined by the department to be owed to an employee, including interest; or (b) any civil penalty ordered by the department under RCW 49.48.083, the director may file with the clerk of any county within the state a warrant in the amount of the payment plus any filing fees. The clerk of the county in which the warrant is filed shall immediately designate a superior court cause number for the warrant, and the clerk shall cause to be entered in the judgment docket under the superior court cause number assigned to the warrant, the name of the employer mentioned in the warrant, the amount of payment due on it plus any filing fees, and the date when the warrant was filed. The aggregate amount of the warrant as docketed becomes a lien upon the title to, and interest in, all real and personal property of the employer against whom the warrant is issued, the same as a judgment in a civil case docketed in the office of the clerk. The sheriff shall proceed upon the warrant in all respects and with like effect as prescribed by law with respect to execution or other process issued against rights or property upon judgment in a court of competent jurisdiction. The warrant so docketed is sufficient to support the issuance of writs of garnishment in favor of the state in a manner provided by law in case of judgment, wholly or partially unsatisfied. The clerk of the court is entitled to a filing fee which will be added to the amount of the warrant. A copy of the warrant shall be mailed to the employer within three days of filing with the clerk.
 - (2) (a) The director may issue to any person, firm, corporation, other entity, municipal corporation, political subdivision of the state, a public corporation, or any agency of the state, a notice and order to withhold and deliver property of any kind when he or she has reason to believe that there is in the possession of the person, firm, corporation, other entity, municipal corporation, political subdivision of the state, public corporation, or agency of the state, property that is or will become due, owing, or belonging to an employer upon whom a notice of assessment has been served by the

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department for payments or civil penalties due to the department. The effect of a notice and order is continuous from the date the notice and order is first made until the liability out of which the notice and order arose is satisfied or becomes unenforceable because of lapse of time. The department shall release the notice and order when the liability out of which the notice and order arose is satisfied or becomes unenforceable by reason of lapse of time and shall notify the person against whom the notice and order was made that the notice and order has been released.

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(b) The notice and order to withhold and deliver must be served by the sheriff of the county or by the sheriff's deputy, by certified mail, return receipt requested, or by the director. A person, firm, other entity, municipal corporation, political corporation, subdivision of the state, public corporation, or agency of the state upon whom service has been made shall answer the notice within twenty days exclusive of the day of service, under oath and in writing, and shall make true answers to the matters inquired of in the notice and order. Upon service of the notice and order, if the party served possesses any property that may be subject to the claim of the department, the party shall promptly deliver the property to the director. The director shall hold the property in trust application on the employer's indebtedness to the department, or for return without interest, in accordance with a final determination of a petition for review. In the alternative, the party shall furnish a good and sufficient surety bond satisfactory to the director conditioned upon final determination of liability. If a party served and named in the notice fails to answer the notice within the time prescribed in this section, the court may render judgment by default against the party for the full amount claimed by the director in the notice, together with costs. If a notice is served upon an employer and the property subject to it is wages, the employer may assert in the answer all exemptions provided for by chapter 6.27 RCW to which the wage earner is entitled.

(c) As an alternative to the methods of service described in this section, the department may electronically serve a financial institution with a notice and order to withhold and deliver by providing a list of its outstanding warrants, except those for which a payment agreement is in good standing, to the department of revenue. The department of revenue may include the warrants provided by the department in a notice and order to withhold and deliver

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served under RCW 82.32.235(3). A financial institution that is served with a notice and order to withhold and deliver under this subsection (2)(c) must answer the notice within the time period applicable to service under RCW 82.32.235(3). The department and the department of revenue may adopt rules to implement this subsection (2)(c).

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- (3) (a) In addition to the procedure for collection of wages owed, including interest, and civil penalties as set forth in this section, the department may recover wages owed, including interest, and civil penalties assessed under RCW 49.48.083 in a civil action brought in a court of competent jurisdiction of the county where the violation is alleged to have occurred.
- (b) The department may use the procedures under this section to foreclose wage liens established under chapter 60.--- RCW (the new chapter created in section 19 of this act). When the department is foreclosing on a wage lien, the date the wage lien was originally filed shall be the date by which priority is determined, regardless of the date the warrant is filed under this section. If a claimant has timely notified the department that the claimant will pursue foreclosure on their own, without the department's assistance, the department is not required to file a warrant under this section and is relieved from any liability related to foreclosing on the claimant's wage lien.
- (4) Whenever any employer quits business, sells out, exchanges, or otherwise disposes of the employer's business or stock of goods, any person who becomes a successor to the business becomes liable for the full amount of any outstanding citation and notice of assessment or penalty against the employer's business under this chapter if, at the time of the conveyance of the business, the successor has: (a) Actual knowledge of the fact and amount of the outstanding citation and notice of assessment or (b) a prompt, reasonable, and effective means of accessing and verifying the fact and amount of the outstanding citation and notice of assessment from the department. If the citation and notice of assessment or penalty is not paid in full by the employer within ten days of the date of the sale, exchange, or disposal, the successor is liable for the payment of the full amount of the citation and notice of assessment or penalty, and payment thereof by the successor must, to the extent thereof, be deemed a payment upon the purchase price. If the payment is greater in amount than the purchase price, the amount of the difference becomes a debt due the successor from the employer.

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- 1 (5) This section does not affect other collection remedies that 2 are otherwise provided by law.
- 3 <u>NEW SECTION.</u> **Sec. 16.** A new section is added to chapter 43.24 4 RCW to read as follows:
- For the purposes of implementing the notice and filing provisions under sections 4(2)(a) and 8 of this act that are applicable to the department of licensing, the department of licensing may, by rule, create wage lien forms specific to the department of licensing, so long as the forms include the information described in those sections.
- NEW SECTION. Sec. 17. A new section is added to chapter 43.24 RCW to read as follows:
- The department of licensing wage lien account is created in the state treasury. All receipts from wage lien filing fees collected by the department of licensing must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used only to administer wage lien filings in section 4 of this act.
- 19 <u>NEW SECTION.</u> **Sec. 18.** This act takes effect January 1, 2021.
- NEW SECTION. Sec. 19. Sections 1 through 13 and 18 of this act constitute a new chapter in Title 60 RCW.

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