CERTIFICATION OF ENROLLMENT

**HOUSE BILL 1742**

68th Legislature

2023 Regular Session

|  |  |
| --- | --- |
| Passed by the House March 3, 2023Yeas 95 Nays 0**Speaker of the House of Representatives**Passed by the Senate April 11, 2023Yeas 48 Nays 0**President of the Senate** | CERTIFICATEI, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1742** as passed by the House of Representatives and the Senate on the dates hereon set forth.Chief Clerk |
| Approved  |  |
| **Governor of the State of Washington** | **Secretary of State** **State of Washington** |

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**HOUSE BILL 1742**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Passed Legislature - 2023 Regular Session

**State of Washington 68th Legislature 2023 Regular Session**

**By** Representative Wylie; by request of Department of Revenue

AN ACT Relating to nontax statutes administered by the department of revenue by modifying provisions of the unclaimed property and business licensing service programs concerning penalty waivers, the department of revenue's express settlement authority, and making technical corrections; amending RCW 19.02.085, 19.150.060, 19.150.080, 19.240.080, 19.240.900, 59.18.312, 59.18.595, 63.30.040, 63.30.690, and 88.26.020; adding a new section to chapter 63.30 RCW; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 19.02.085 and 2020 c 139 s 3 are each amended to read as follows:

(1) To encourage timely renewal by applicants, a business license delinquency fee is imposed on licensees who fail to renew by the business license expiration date. The business license delinquency fee must be the lesser of ((~~one hundred fifty dollars~~)) $150 or ((~~fifty~~)) 50 percent of a base comprised of the licensee's renewal fee minus corporate licensing taxes, corporation annual report fee, and any interest fees or penalties charged for late taxes or corporate renewals. The business license delinquency fee must be added to the renewal fee and paid by the licensee before a business license is renewed. The delinquency fee must be deposited in the business license account.

(2) The department must waive or cancel the business license delinquency fee imposed in subsection (1) of this section only if ((~~the~~)):

(a) The department determines that the licensee failed to renew a license by the business license expiration date due to an undisputable error or failure by the department; or

(b) The licensee requests the waiver and has timely renewed all business licenses and paid the applicable business license fees for a period of 24 months immediately preceding the period covered by the renewal application for which the waiver is being requested.

(c) For purposes of this subsection, an error or failure is undisputable if the department is satisfied, beyond any doubt, that the error or failure occurred.

**Sec.**  RCW 19.150.060 and 2016 sp.s. c 6 s 1 are each amended to read as follows:

(1) If a notice has been sent, as required by RCW 19.150.040, and the total sum due has not been paid as of the date specified in the preliminary lien notice, the lien proposed by this notice attaches as of that date and the owner may deny an occupant access to the space, enter the space, inventory the goods therein, and remove any property found therein to a place of safe keeping. The owner must provide the occupant a notice of final lien sale or final notice of disposition by personal service, verified mail, or email to the occupant's last known address and alternative address or email address. If the owner sends notice required under this section to the occupant's last known email address and does not receive a reply or receipt of delivery, the owner must send a second notice to the occupant's last known postal address by verified mail. The notice required under this section must state all of the following:

(a) That the occupant's right to use the storage space has terminated and that the occupant no longer has access to the stored property.

(b) That the stored property is subject to a lien, and the amount of the lien accrued and to accrue prior to the date required to be specified in (c) of this subsection.

(c) That all the property, other than personal papers and personal photographs, may be sold to satisfy the lien after a specified date which is not less than fourteen days from the last date of sending of the final lien sale notice, or a minimum of ((~~forty-two~~)) 42 days after the date when any part of the rent or other charges due from the occupants remain unpaid, whichever is later, unless the amount of the lien is paid. The owner is not required to sell the personal property within a maximum number of days of when the rent or other charges first became due. If the total value of property in the storage space is less than three hundred dollars, the owner may, instead of sale, dispose of the property in any reasonable manner, subject to the restrictions of RCW 19.150.080(4). After the sale or other disposition pursuant to this section has been completed, the owner shall provide an accounting of the disposition of the proceeds of the sale or other disposition to the occupant at the occupant's last known address and at the alternative address.

(d) That any stored vehicles, watercraft, trailers, recreational vehicles, or campers may be towed or removed from the self-service storage facility in lieu of sale pursuant to RCW 19.150.160.

(e) That any excess proceeds of the sale or other disposition under RCW 19.150.080(2) over the lien amount and reasonable costs of sale will be retained by the owner and may be reclaimed by the occupant, or claimed by another person, at any time for a period of six months from the sale and that thereafter the proceeds will be turned over to the state as abandoned property as provided in ((~~RCW 63.29.165~~)) chapter 63.30 RCW.

(f) That any personal papers and personal photographs will be retained by the owner and may be reclaimed by the occupant at any time for a period of six months from the sale or other disposition of property and that thereafter the owner may dispose of the personal papers and photographs in a reasonable manner, subject to the restrictions of RCW 19.150.080(3).

(g) That the occupant has no right to repurchase any property sold at the lien sale.

(2) The owner may not send by email the notice required under this section to the occupant's last known address or alternative address unless:

(a) The occupant expressly agrees to notice by email;

(b) The rental agreement executed by the occupant specifies in bold type that notices will be given to the occupant by email;

(c) The owner provides the occupant with the email address from which notices will be sent and directs the occupant to modify his or her email settings to allow email from that address to avoid any filtration systems; and

(d) The owner notifies the occupant of any change in the email address from which notices will be sent prior to the address change.

**Sec.**  RCW 19.150.080 and 2007 c 113 s 5 are each amended to read as follows:

(1) After the expiration of the time given in the final notice of lien sale pursuant to RCW 19.150.060, the property, other than personal papers and personal photographs, may be sold or disposed of in a reasonable manner as provided in this section.

(2)(a) If the property has a value of three hundred dollars or more, the sale shall be conducted in a commercially reasonable manner, and, after applying the proceeds to costs of the sale and then to the amount of the lien, the owner shall retain any excess proceeds of the sale on the occupant's behalf. The occupant, or any other person having a court order or other judicial process against the property, may claim the excess proceeds, or a portion thereof sufficient to satisfy the particular claim, at any time within six months of the date of sale.

(b) If the property has a value of less than three hundred dollars, the property may be disposed of in a reasonable manner.

(3) Personal papers and personal photographs that are not reclaimed by the occupant within six months of a sale under subsection (2)(a) of this section or other disposition under subsection (2)(b) of this section may be disposed of in a reasonable manner.

(4) No employee or owner, or family member of an employee or owner, may acquire, directly or indirectly, the property sold pursuant to subsection (2)(a) of this section or disposed of pursuant to subsection (2)(b) of this section, or personal papers and personal photographs disposed of under subsection (3) of this section.

(5) The owner is entitled to retain any interest earned on the excess proceeds until the excess proceeds are claimed by another person or are turned over to the state as abandoned property pursuant to ((~~RCW 63.29.165~~)) chapter 63.30 RCW.

**Sec.**  RCW 19.240.080 and 2004 c 168 s 9 are each amended to read as follows:

An issuer is not required to honor a gift certificate presumed abandoned under ((~~RCW 63.29.110~~)) chapter 63.30 RCW, if reported((~~,~~)) and delivered to the department of revenue in the dissolution of a business association.

**Sec.**  RCW 19.240.900 and 2004 c 168 s 18 are each amended to read as follows:

Sections 1 through 12 of this act apply to:

(1) Gift certificates issued on or after July 1, 2004; and

(2) Those gift certificates presumed abandoned on or after July 1, 2004, and not reported as provided in ((~~RCW 63.29.170(4)~~)) chapter 63.30 RCW.

**Sec.**  RCW 59.18.312 and 2011 c 132 s 17 are each amended to read as follows:

(1) A landlord shall, upon the execution of a writ of restitution by the sheriff, enter and take possession of any property of the tenant found on the premises. The landlord may store the property in any reasonably secure place, including the premises, and sell or dispose of the property as provided under subsection (3) of this section. The landlord must store the property if the tenant serves a written request to do so on the landlord or the landlord's representative by any of the methods described in RCW 59.18.365 no later than three days after service of the writ. A landlord may elect to store the property without such a request unless the tenant or the tenant's representative objects to the storage of the property. If the tenant or the tenant's representative objects to the storage of the property or the landlord elects not to store the property because the tenant has not served a written request on the landlord to do so, the property shall be deposited upon the nearest public property and may not be stored by the landlord. If the landlord knows that the tenant is a person with a disability as defined in RCW 49.60.040 (as amended by chapter 317, Laws of 2007) and the disability impairs or prevents the tenant or the tenant's representative from making a written request for storage, it must be presumed that the tenant has requested the storage of the property as provided in this section unless the tenant objects in writing.

(2) Property stored under this section shall be returned to the tenant after the tenant has paid the actual or reasonable drayage and storage costs, whichever is less, or until it is sold or disposed of by the landlord in accordance with subsection (3) of this section.

(3) Prior to the sale of property stored pursuant to this section with a cumulative value of over ((~~two hundred fifty dollars~~)) $250, the landlord shall notify the tenant of the pending sale. After ((~~thirty~~)) 30 days from the date the notice of the sale is mailed or personally delivered to the tenant's last known address, the landlord may sell the property, including personal papers, family pictures, and keepsakes, and dispose of any property not sold.

If the property that is being stored has a cumulative value of ((~~two hundred fifty dollars~~)) $250 or less, then the landlord may sell or dispose of the property in the manner provided in this section, except for personal papers, family pictures, and keepsakes. Prior to the sale or disposal of property stored pursuant to this section with a cumulative value of ((~~two hundred fifty dollars~~)) $250 or less, the landlord shall notify the tenant of the pending sale or disposal. The notice shall either be mailed to the tenant's last known address or personally delivered to the tenant. After seven days from the date the notice is mailed or delivered to the tenant, the landlord may sell or dispose of the property.

The landlord may apply any income derived from the sale of the tenant's property against moneys due the landlord for drayage and storage of the property. The amount of sale proceeds that the landlord may apply towards such costs may not exceed the actual or reasonable costs for drayage and storage of the property, whichever is less. Any excess income derived from the sale of such property shall be held by the landlord for the benefit of the tenant for a period of one year from the date of the sale. If no claim is made or action commenced by the tenant for the recovery of the excess income prior to the expiration of that period of time, then the balance shall be treated as abandoned property and deposited by the landlord with the department of revenue pursuant to chapter ((~~63.29~~)) 63.30 RCW.

(4) Nothing in this section shall be construed as creating a right of distress for rent.

(5) When serving a tenant with a writ of restitution pursuant to RCW 59.12.100 and 59.18.410, the sheriff shall provide written notice to the tenant that: (a) Upon execution of the writ, the landlord must store the tenant's property only if the tenant serves a written request on the landlord to do so no later than three days after service of the writ; (b) the notice to the landlord requesting storage may be served by personally delivering or mailing a copy of the request to the landlord at the address identified in, or by facsimile to the facsimile number listed on, the form described under subsection (6) of this section; (c) if the tenant has not made such a written request to the landlord, the landlord may elect to either store the tenant's property or place the tenant's property on the nearest public property unless the tenant objects; (d) if the property is stored, it may not be returned to the tenant unless the tenant pays the actual or reasonable costs of drayage and storage, whichever is less, within ((~~thirty~~)) 30 days; (e) if the tenant or the tenant's representative objects to storage of the property, it will not be stored but will be placed on the nearest public property; and (f) the landlord may sell or otherwise dispose of the property as provided in subsection (3) of this section if the landlord provides written notice to the tenant first.

(6) When serving a tenant with a writ of restitution under subsection (5) of this section, the sheriff shall also serve the tenant with a form provided by the landlord that can be used to request the landlord to store the tenant's property, which must be substantially in the following form:

REQUEST FOR STORAGE OF PERSONAL PROPERTY

. . . . . . . . . . .

Name of Plaintiff

. . . . . . . . . . .

Name(s) of Tenant(s)

I/we hereby request the landlord to store our personal property. I/we understand that I/we am/are responsible for the actual or reasonable costs of moving and storing the property, whichever is less. If I/we fail to pay these costs, the landlord may sell or dispose of the property pursuant to and within the time frame permitted under RCW 59.18.312(3).

Any notice of sale required under RCW 59.18.312(3) must be sent to the tenants at the following address:

IF NO ADDRESS IS PROVIDED, NOTICE OF SALE WILL BE SENT TO THE LAST KNOWN ADDRESS OF THE TENANT(S)

Dated: . . . . . . . . . . .

. . . . . . . . . . .

Tenant-Print Name

. . . . . . . . . . .

Tenant-Print Name

This notice may be delivered or mailed to the landlord or the landlord's representative at the following address:

This notice may also be served by facsimile to the landlord or the landlord's representative at:

. . . . . . . . . . .

Facsimile Number

IMPORTANT

IF YOU WANT YOUR LANDLORD TO STORE YOUR PROPERTY, THIS WRITTEN REQUEST MUST BE RECEIVED BY THE LANDLORD NO LATER THAN THREE (3) DAYS AFTER THE SHERIFF SERVES THE WRIT OF RESTITUTION. YOU SHOULD RETAIN PROOF OF SERVICE.

**Sec.**  RCW 59.18.595 and 2015 c 264 s 3 are each amended to read as follows:

(1) In the event of the death of a tenant who is the sole occupant of the dwelling unit:

(a) The landlord, upon learning of the death of the tenant, shall promptly mail or personally deliver written notice to any known personal representative, known designated person, emergency contact identified by the tenant on the rental application, known person reasonably believed to be a successor of the tenant as defined in RCW 11.62.005, and to the deceased tenant at the address of the dwelling unit. If the landlord knows of any address used for the receipt of electronic communications, the landlord shall email the notice to that address as well. The notice must include:

(i) The name of the deceased tenant and address of the dwelling unit;

(ii) The approximate date of the deceased tenant's death;

(iii) The rental amount and date through which rent is paid;

(iv) A statement that the tenancy will terminate ((~~fifteen~~)) 15 days from the date the notice is mailed or personally delivered or the date through which rent is paid, whichever comes later, unless during that time period a tenant representative makes arrangements with the landlord to pay rent in advance for no more than ((~~sixty~~)) 60 days from the date of the tenant's death to allow a tenant representative to arrange for orderly removal of the tenant's property. At the end of the period for which the rent has been paid pursuant to this subsection, the tenancy ends;

(v) A statement that failure to remove the tenant's property before the tenancy is terminated or ends as provided in (a)(iv) of this subsection will allow the landlord to enter the dwelling unit and take possession of any property found on the premises, store it in a reasonably secure place, and charge the actual or reasonable costs, whichever is less, of drayage and storage of the property, and after service of a second notice sell or dispose of the property as provided in subsection (3) of this section; and

(vi) A copy of any designation executed by the tenant pursuant to RCW 59.18.590;

(b) The landlord shall turn over possession of the tenant's property to a tenant representative if a request is made in writing within the specified time period or any subsequent date agreed to by the parties;

(c) Within ((~~fourteen~~)) 14 days after the removal of the property by the tenant representative, the landlord shall refund any unearned rent and shall give a full and specific statement of the basis for retaining any deposit together with the payment of any refund due the deceased tenant under the terms and conditions of the rental agreement to the tenant representative; and

(d) Any tenant representative who removes property from the tenant's dwelling unit or the premises must, at the time of removal, provide to the landlord an inventory of the removed property and signed acknowledgment that he or she has only been given possession and not ownership of the property.

(2) A landlord shall send a second written notice before selling or disposing of a deceased tenant's property.

(a) If the tenant representative makes arrangements with the landlord to pay rent in advance as provided in subsection (1)(a)(iv) of this section, the landlord shall mail a second written notice to any known personal representative, known designated person, emergency contact identified by the tenant on the rental application, known person reasonably believed to be a successor of the tenant as defined in RCW 11.62.005, and to the deceased tenant at the dwelling unit. The second notice must include:

(i) The name, address, and phone number or other contact information for the tenant representative, if known, who made the arrangements to pay rent in advance;

(ii) The amount of rent paid in advance and date through which rent was paid; and

(iii) A statement that the landlord may sell or dispose of the property on or after the date through which rent is paid or at least ((~~forty-five~~)) 45 days after the second notice is mailed, whichever comes later, if a tenant representative does not claim and remove the property in accordance with this subsection.

(b) If the landlord places the property in storage pursuant to subsection (1)(a) of this section, the landlord shall mail a second written notice, unless a written notice under (a) of this subsection has already been provided, to any known personal representative, known designated person, emergency contact identified by the tenant on the rental application, known person reasonably believed to be a successor of the tenant as defined in RCW 11.62.005, and to the deceased tenant at the dwelling unit. The second notice must state that the landlord may sell or dispose of the property on or after a specified date that is at least ((~~forty-five~~)) 45 days after the second notice is mailed if a tenant representative does not claim and remove the property in accordance with this subsection.

(c) The landlord shall turn over possession of the tenant's property to a tenant representative if a written request is made within the applicable time periods after the second notice is mailed, provided the tenant representative: (i) Pays the actual or reasonable costs, whichever is less, of drayage and storage of the property, if applicable; and (ii) gives the landlord an inventory of the property and signs an acknowledgment that he or she has only been given possession and not ownership of the property.

(d) Within ((~~fourteen~~)) 14 days after the removal of the property by the tenant representative, the landlord shall refund any unearned rent and shall give a full and specific statement of the basis for retaining any deposit together with the payment of any refund due the deceased tenant under the terms and conditions of the rental agreement to the tenant representative.

(3)(a) If a tenant representative has not contacted the landlord or removed the deceased tenant's property within the applicable time periods under this section, the landlord may sell or dispose of the deceased tenant's property, except for personal papers and personal photographs, as provided in this subsection.

(i) If the landlord reasonably estimates the fair market value of the stored property to be more than ((~~one thousand dollars~~)) $1,000, the landlord shall arrange to sell the property in a commercially reasonable manner and may dispose of any property that remains unsold in a reasonable manner.

(ii) If the value of the stored property does not meet the threshold provided in (a)(i) of this subsection, the landlord may dispose of the property in a reasonable manner.

(iii) The landlord may apply any income derived from the sale of the property pursuant to this section against any costs of sale and moneys due the landlord, including actual or reasonable costs, whichever is less, of drayage and storage of the deceased tenant's property. Any excess income derived from the sale of such property under this section must be held by the landlord for a period of one year from the date of sale, and if no claim is made for recovery of the excess income before the expiration of that one-year period, the balance must be treated as abandoned property and deposited by the landlord with the department of revenue pursuant to chapter ((~~63.29~~)) 63.30 RCW.

(b) Personal papers and personal photographs that are not claimed by a tenant representative within ((~~ninety~~)) 90 days after a sale or other disposition of the deceased tenant's other property shall be either destroyed or held for the benefit of any successor of the deceased tenant as defined in RCW 11.62.005.

(c) No landlord or employee of a landlord, or his or her family members, may acquire, directly or indirectly, the property sold pursuant to (a)(i) of this subsection or disposed of pursuant to (a)(ii) of this subsection.

(4) Upon learning of the death of the tenant, the landlord may enter the deceased tenant's dwelling unit and immediately dispose of any perishable food, hazardous materials, and garbage found on the premises and turn over animals to a tenant representative or to an animal control officer, humane society, or other individual or organization willing to care for the animals.

(5) Any notices sent by the landlord under this section must include a mailing address, any address used for the receipt of electronic communications, and a telephone number of the landlord.

(6) If a landlord knowingly violates this section, the landlord is liable to the deceased tenant's estate for actual damages. The prevailing party in any action pursuant to this subsection may recover costs and reasonable attorneys' fees.

(7) A landlord who complies with this section is relieved from any liability relating to the deceased tenant's property.

**Sec.**  RCW 63.30.040 and 2022 c 225 s 201 are each amended to read as follows:

Subject to RCW 63.30.120, the following property is presumed abandoned if it is unclaimed by the apparent owner during the period specified below:

(1) A traveler's check, 15 years after issuance;

(2) A money order, five years after issuance;

(3) A state or municipal bond, bearer bond, or original issue discount bond, three years after the earliest of the date the bond matures or is called or the obligation to pay the principal of the bond arises;

(4) A debt of a business association, three years after the obligation to pay arises;

(5) A demand, savings, or time deposit, including a deposit that is automatically renewable, three years after the later of maturity, if applicable, of the deposit or the owner's last indication of interest in the deposit, except a deposit that is automatically renewable is deemed matured on its initial date of maturity unless the apparent owner consented in a record on file with the holder to renewal at or about the time of the renewal;

(6) Money or a credit owed to a customer as a result of a retail business transaction, three years after the obligation arose;

(7) An amount owed by an insurance company on a life or endowment insurance policy or an annuity contract that has matured or terminated, three years after the obligation to pay arose under the terms of the policy or contract or, if a policy or contract for which an amount is owed on proof of death has not matured by proof of the death of the insured or annuitant, as follows:

(a) With respect to an amount owed on a life or endowment insurance policy, three years after the earlier of the date:

(i) The insurance company has knowledge of the death of the insured; or

(ii) The insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve for the policy is based; and

(b) With respect to an amount owed on an annuity contract, three years after the date the insurance company has knowledge of the death of the annuitant;

(8) Property distributable by a business association in the course of dissolution, one year after the property becomes distributable;

(9) Property held by a court, including property received as proceeds of a class action, one year after the property becomes distributable;

(10) Property held by a government or governmental subdivision, agency, or instrumentality, including municipal bond interest and unredeemed principal under the administration of a paying agent or indenture trustee, one year after the property becomes distributable;

(11) Wages, commissions, bonuses, or reimbursements to which an employee is entitled, or other compensation for personal services, one year after the amount becomes payable;

(12) A deposit or refund owed to a subscriber by a utility, one year after the deposit or refund becomes payable; ((~~and~~))

(13) Payroll card, one year after the amount becomes payable; ((~~and~~))

(14) Excess proceeds from the sale of property by an owner of a self-service storage facility conducted pursuant to RCW 19.150.080, six months from the date of sale;

(15) Excess income from the sale of tenant property by a landlord conducted pursuant to RCW 59.18.312 and RCW 59.18.595, one year from the date of the sale;

(16) Excess funds from the sale of an abandoned vessel by an operator of a private moorage facility conducted pursuant to RCW 88.26.020, one year from the date of the sale; and

(17) Property not specified in this section or RCW 63.30.050 through 63.30.100, the earlier of three years after the owner first has a right to demand the property or the obligation to pay or distribute the property arises.

**Sec.**  RCW 63.30.690 and 2022 c 225 s 1013 are each amended to read as follows:

(1) A person who fails to pay or deliver property when due is required to pay to the administrator interest at the rate as computed under RCW 82.32.050(1)(c) and set under RCW 82.32.050(2). However, the administrator must waive or cancel interest imposed under this subsection if:

(a) The administrator finds that the failure to pay or deliver the property within the time prescribed by this chapter was the result of circumstances beyond the person's control sufficient for waiver or cancellation of interest under RCW 82.32.105;

(b) The failure to timely pay or deliver the property within the time prescribed by this chapter was the direct result of written instructions given to the person by the administrator; or

(c) The extension of a due date for payment or delivery under an assessment issued by the administrator was not at the person's request and was for the sole convenience of the administrator.

(2) If a person fails to file any report or to pay or deliver any amounts or property when due under a report required under this chapter, there is assessed a penalty equal to 10 percent of the amount unpaid and the value of any property not delivered.

(3) If an examination results in an assessment for amounts unpaid or property not delivered, there is assessed a penalty equal to 10 percent of the amount unpaid and the value of any property not delivered.

(4) If a person fails to pay or deliver to the administrator by the due date any amounts or property due under an assessment issued by the administrator to the person, there is assessed an additional penalty of five percent of the amount unpaid and the value of any property not delivered.

(5) If a holder makes a fraudulent report under this chapter, the administrator may require the holder to pay the administrator, in addition to interest under this section, a civil penalty of $1,000 for each day from the date the report was made until corrected, up to a cumulative maximum amount of $25,000, plus 25 percent of the amount or value of any property that should have been reported or was underreported.

(6) Penalties under subsections (2) through (4) of this section may be waived or canceled only if ((~~the~~)):

(a) The administrator finds that the failure to pay or deliver within the time prescribed by this chapter was the result of circumstances beyond the person's control sufficient for waiver or cancellation of penalties under RCW 82.32.105; or

(b) The person requests the waiver for a report required to be filed under RCW 63.30.220 and has timely filed as provided by RCW 63.30.240 all reports due under RCW 63.30.220 and paid or delivered all property associated with those reports for a period of 24 months immediately preceding the period covered by the report for which the waiver is being requested.

(7) If a person willfully fails to file a report or to provide written notice to apparent owners as required under this chapter, the administrator may assess a civil penalty of $100 for each day the report is withheld or the notice is not sent, but not more than $5,000.

(8) If a holder, having filed a report, failed to file the report electronically as required by RCW ((~~63.29.170~~)) 63.30.220, or failed to pay electronically any amounts due under the report as required by RCW ((~~63.29.190~~)) 63.30.340, the administrator must assess a penalty equal to five percent of the amount payable or deliverable under the report, unless the administrator grants the taxpayer relief from the electronic filing and payment requirements. Total penalties assessed under this subsection may not exceed five percent of the amount payable and value of property deliverable under the report.

(9) If a holder enters into a contract or other arrangement for the purpose of evading an obligation under this chapter or otherwise willfully fails to perform a duty imposed on the holder under this chapter, the administrator may require the holder to pay the administrator, in addition to interest as provided in this section, a civil penalty of $1,000 for each day the obligation is evaded or the duty not performed, up to a cumulative maximum amount of $25,000, plus 25 percent of the amount or value of property that should have been but was not reported, paid, or delivered as a result of the evasion or failure to perform.

(10) The penalties imposed in this section are cumulative.

**Sec.**  RCW 88.26.020 and 2013 c 291 s 41 are each amended to read as follows:

(1) Any private moorage facility operator may take reasonable measures, including the use of chains, ropes, and locks, or removal from the water, to secure vessels within the private moorage facility so that the vessels are in the possession and control of the operator and cannot be removed from the facility. These procedures may be used if an owner mooring or storing a vessel at the facility fails, after being notified that charges are owing and of the owner's right to commence legal proceedings to contest that such charges are owing, to pay charges owed or to commence legal proceedings. Notification shall be by two separate letters, one sent by first-class mail and one sent by registered mail to the owner and any lienholder of record at the last known address. In the case of a transient vessel, or where no address was furnished by the owner, the operator need not give notice prior to securing the vessel. At the time of securing the vessel, an operator shall attach to the vessel a readily visible notice. The notice shall be of a reasonable size and shall contain the following information:

(a) The date and time the notice was attached;

(b) A statement that if the account is not paid in full within ((~~ninety~~)) 90 days from the time the notice is attached the vessel may be sold at public auction to satisfy the charges; and

(c) The address and telephone number where additional information may be obtained concerning release of the vessel.

After a vessel is secured, the operator shall make a reasonable effort to notify the owner and any lienholder of record by registered mail in order to give the owner the information contained in the notice.

(2) A private moorage facility operator, at his or her discretion, may move moored vessels ashore for storage within properties under the operator's control or for storage with a private person under their control as bailees of the private moorage facility, if the vessel is, in the opinion of the operator, a nuisance, in danger of sinking or creating other damage, or is owing charges. The costs of any such procedure shall be paid by the vessel's owner.

(3) If a vessel is secured under subsection (1) of this section or moved ashore under subsection (2) of this section, the owner who is obligated to the private operator for charges may regain possession of the vessel by:

(a) Making arrangements satisfactory with the operator for the immediate removal of the vessel from the facility or for authorized moorage; and

(b) Making payment to the operator of all charges, or by posting with the operator a sufficient cash bond or other acceptable security, to be held in trust by the operator pending written agreement of the parties with respect to payment by the vessel owner of the amount owing, or pending resolution of the matter of the charges in a civil action in a court of competent jurisdiction. After entry of judgment, including any appeals, in a court of competent jurisdiction, or after the parties reach agreement with respect to payment, the trust shall terminate and the operator shall receive so much of the bond or other security as agreed, or as is necessary, to satisfy any judgment, costs, and interest as may be awarded to the operator. The balance shall be refunded immediately to the owner at the last known address.

(4) If a vessel has been secured by the operator under subsection (1) of this section and is not released to the owner under the bonding provisions of this section within ((~~ninety~~)) 90 days after notifying or attempting to notify the owner under subsection (1) of this section, the vessel is conclusively presumed to have been abandoned by the owner.

(5) If a vessel moored or stored at a private moorage facility is abandoned, the operator may authorize the public sale of the vessel by authorized personnel, consistent with this section, to the highest and best bidder for cash as follows:

(a) Before the vessel is sold, the vessel owner and any lienholder of record shall be given at least ((~~twenty~~)) 20 days' notice of the sale in the manner set forth in subsection (1) of this section if the name and address of the owner is known. The notice shall contain the time and place of the sale, a reasonable description of the vessel to be sold, and the amount of charges owed with respect to the vessel. The notice of sale shall be published at least once, more than ((~~ten~~)) 10 but not more than ((~~twenty~~)) 20 days before the sale, in a newspaper of general circulation in the county in which the facility is located. This notice shall include the name of the vessel, if any, the last known owner and address, and a reasonable description of the vessel to be sold. The operator may bid all or part of its charges at the sale and may become a purchaser at the sale.

(b) Before the vessel is sold, any person seeking to redeem an impounded vessel under this section may commence a lawsuit in the superior court for the county in which the vessel was impounded to contest the validity of the impoundment or the amount of charges owing. This lawsuit must be commenced within ((~~sixty~~)) 60 days of the date the notification was provided under subsection (1) of this section, or the right to a hearing is deemed waived and the owner is liable for any charges owing the operator. In the event of litigation, the prevailing party is entitled to reasonable attorneys' fees and costs.

(c) The proceeds of a sale under this section shall be applied first to the payment of any liens superior to the claim for charges, then to payment of the charges, then to satisfy any other liens on the vessel in the order of their priority. The balance, if any, shall be paid to the owner. If the owner cannot in the exercise of due diligence be located by the operator within one year of the date of the sale, the excess funds from the sale shall revert to the department of revenue under chapter ((~~63.29~~)) 63.30 RCW. If the sale is for a sum less than the applicable charges, the operator is entitled to assert a claim for deficiency, however, the deficiency judgment shall not exceed the moorage fees owed for the previous six-month period.

(d) In the event no one purchases the vessel at a sale, or a vessel is not removed from the premises or other arrangements are not made within ((~~ten~~)) 10 days of sale, title to the vessel will revert to the operator.

(e) Either a minimum bid may be established or a letter of credit may be required from the buyer, or both, to discourage the future abandonment of the vessel.

(6) The rights granted to a private moorage facility operator under this section are in addition to any other legal rights an operator may have to hold and sell a vessel and in no manner does this section alter those rights, or affect the priority of other liens on a vessel.

NEW SECTION. **Sec.**  A new section is added to chapter 63.30 RCW to read as follows:

(1) The department may enter into an agreement in writing with any holder with respect to any duties under this chapter or any property or amounts due under this chapter, including penalties and interest.

(2) Upon its execution by all parties, the agreement is final and conclusive as to the periods, property, and any other matters expressly covered by the agreement. Except upon a showing of fraud or malfeasance, or of misrepresentation of a material fact:

(a) The agreement may not be reopened as to the matters agreed upon, nor may the agreement be modified, by any officer, employee, or agent of the state, or the holder; and

(b) In any suit, action, or proceeding, such agreement, or any determination, assessment, collection, payment, abatement, or refund, or credit made in accordance with the agreement, may not be annulled, modified, set aside, or disregarded.

(3) No agreement under this section may affect a holder's obligations to an owner or an owner's rights against a holder, except as expressly provided in RCW 63.30.350.

(4) No agreement under this section may include any indemnification of any holder for amounts or property that has not been paid or delivered to the department. Nothing in this subsection may be construed to affect the finality and conclusiveness of any agreement under this section to the extent provided in subsection (2) of this section.

NEW SECTION. **Sec.**  Sections 2 through 8, 10, and 11 of this act apply both prospectively and retroactively to January 1, 2023.

NEW SECTION. **Sec.**  If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

**--- END ---**