### CERTIFICATION OF ENROLLMENT

## SUBSTITUTE SENATE BILL 5627

# 62nd Legislature 2012 Regular Session

Passed by the Senate January 27, 2012 YEAS 44 NAYS 0	CERTIFICATE
	I, Thomas Hoemann, Secretary of the Senate of the State of Washington do hereby certify that the attached
President of the Senate	is <b>SUBSTITUTE SENATE BILL 5627</b> as passed by the Senate and the House
Passed by the House February 27, 2012 YEAS 96 NAYS 0	of Representatives on the dates hereon set forth.
Speaker of the House of Representatives	Secretary
Approved	FILED
Governor of the State of Washington	Secretary of State State of Washington

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#### SUBSTITUTE SENATE BILL 5627

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Passed Legislature - 2012 Regular Session

State of Washington

62nd Legislature

2011 Regular Session

By Senate Judiciary (originally sponsored by Senators Hobbs, Murray, Kilmer, and Shin; by request of Washington State Bar Association)

READ FIRST TIME 02/21/11.

- 1 AN ACT Relating to service members' civil relief; and amending RCW
- 2 38.42.010 and 38.42.050.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 38.42.010 and 2006 c 253 s 1 are each amended to read 5 as follows:
- 6 The definitions in this section apply throughout this chapter.
- 7 (1) "Business loan" means a loan or extension of credit granted to
- 8 a business entity that: (a) Is owned and operated by a service member,
- 9 in which the service member is either (i) a sole proprietor, or (ii)
- 10 the owner of at least fifty percent of the entity; and (b) experiences
- 11 a material reduction in revenue due to the service member's military
- 12 service.

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- 13 (2) "Dependent" means:
  - (a) The service member's spouse;
- 15 (b) The service member's minor child; or
- 16 (c) An individual for whom the service member provided more than
- 17 one-half of the individual's support for one hundred eighty days
- immediately preceding an application for relief under this chapter.

- 1 (3) "Financial institution" means an institution as defined in RCW 30.22.041.
  - (4) "Judgment" does not include temporary orders as issued by a judicial court or administrative tribunal in domestic relations cases under Title 26 RCW, including but not limited to establishment of a temporary child support obligation, creation of a temporary parenting plan, or entry of a temporary protective or restraining order.
    - (5) "Military service" means a service member:
- 9 <u>(a) Under a call to active service authorized by the president of</u>
  10 the United States or the secretary of defense for a period of more than
  11 thirty consecutive days; or
- 12 <u>(b) Under a call to service authorized by the governor under RCW</u>
  13 38.08.040 for a period of more than thirty consecutive days.
  - (6) "National guard" has the meaning in RCW 38.04.010.
- 15 (7) "Service member" means any resident of Washington state 16 ((that)) who is a member of the national guard or member of a military 17 reserve component.
- 18 **Sec. 2.** RCW 38.42.050 and 2006 c 80 s 1 are each amended to read 19 as follows:
  - (1) This section applies to any civil action or proceeding in which a service member or his or her dependent is a defendant and does not make an appearance under applicable court rules or by law.
    - (2) In any action or proceeding covered by this section, the court, before entering judgment for the plaintiff, shall require the plaintiff to file with the court an affidavit:
    - (a) Stating whether the defendant is in military service, or is a dependent of a service member in military service, and showing necessary facts to support the affidavit; or
    - (b) If the plaintiff is unable to determine whether the defendant is in military service or is a dependent of a service member in military service, stating that the plaintiff is unable to determine whether the defendant is in military service or is a dependent of a service member in military service.
- (3)(a) To determine whether or not a defendant is a dependent of a ((person)) service member in the military service under this chapter, the plaintiff may serve on or mail via first-class mail to the defendant a written notice in substantially the following form:

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"NOTICE: State and federal law provide protections to defendants who are ((on active duty)) in the military service, and to their dependents. Dependents of a service member are the service member's spouse, the service member's minor child, or an individual for whom the service member provided more than one-half of the individual's support for one hundred eighty days immediately preceding an application for relief.

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8 One protection provided is the protection against the entry of a 9 default judgment in certain circumstances. This notice ((only)) pertains only to a defendant who is a dependent of a member of the 10 11 national guard or a military reserve component under a call to active 12 service, or a national guard member under a call to service authorized 13 by the governor of the state of Washington, for a period of more than thirty consecutive days. Other defendants in military service also 14 15 have protections against default judgments not covered by this notice. If you are the dependent of a member of the national guard or a 16 military reserve component under a call to active service, or a 17 national guard member under a call to service authorized by the 18 governor of the state of Washington, for a period of more than thirty 19 20 consecutive days, you should notify the plaintiff or the plaintiff's 21 attorneys in writing of your status as such within twenty days of the 22 receipt of this notice. If you fail to do so, then a court or an 23 administrative tribunal may presume that you are not a dependent of an 24 active duty member of the national guard or reserves, or a national guard member under a call to service authorized by the governor of the 25 26 state of Washington, and proceed with the entry of an order of default 27 and/or a default judgment without further proof of your status. Your response to the plaintiff or plaintiff's attorneys about your status 28 29 does not constitute an appearance for jurisdictional purposes in any 30 pending litigation nor a waiver of your rights."

(b) If the notice is either served on the defendant twenty or more days prior to an application for an order of default or a default judgment, or mailed to the defendant more than twenty-three days prior to such application, and the defendant fails to timely respond, then for purposes of entry of an order of default or default judgment, the court or administrative tribunal may presume that the defendant is not a dependent of a ((person)) service member in the military service under this chapter.

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- (c) Nothing prohibits the plaintiff from allowing a defendant more than twenty days to respond to the notice, or from amending the notice to so provide.
  - (4) If in an action covered by this section it appears that the defendant is in military service or is a dependent of a service member in military service, the court may not enter a judgment until after the court appoints an attorney to represent the defendant. If an attorney appointed under this section to represent a service member or his or her dependent cannot locate the service member or dependent, actions by the attorney in the case do not waive any defense of the service member or dependent.
  - (5) In an action covered by this section in which the defendant is in military service or is a dependent of a service member in military service, the court shall grant a stay of proceedings until one hundred eighty days after termination of or release from military service, upon application of defense counsel, or on the court's own motion, if the court determines that:
  - (a) There may be a defense to the action and a defense cannot be presented without presence of the defendant; or
  - (b) After due diligence, counsel has been unable to contact the defendant or otherwise determine if a meritorious defense exists. The defendant's failure to communicate or cooperate with counsel after having been contacted is not grounds to find that counsel has been unable to contact the defendant or that counsel has been unable to determine if a meritorious defense exists.
  - (6) No bar to entry of judgment under subsection (4) of this section or requirement for grant of stay under subsection (5) of this section precludes the entry of temporary orders in domestic relations cases. If a court or administrative tribunal enters a temporary order as allowed under this subsection, it shall include a finding that failure to act, despite the absence of the service member, would result in manifest injustice to the other interested parties. Temporary orders issued without the service member's participation shall not set any precedent for the final disposition of the matters addressed therein.
- (7) If a service member or dependent who is a defendant in an action covered by this section receives actual notice of the action,

the service member or dependent may request a stay of proceedings pursuant to RCW 38.42.060.

- (8) A person who makes or uses an affidavit permitted under this section knowing it to be false, is guilty of a class C felony.
- (9) If a default judgment is entered in an action covered by this section against a service member or his or her dependent during the service member's period of military service or within one hundred eighty days after termination of or release from military service, the court entering the judgment shall, upon application by or on behalf of the service member or his or her dependent, reopen the judgment for the purpose of allowing the service member or his or her dependent to defend the action if it appears that:
- (a) The service member or dependent was materially affected by reason of that military service in making a defense to the action; and
- (b) The service member or dependent has a meritorious or legal defense to the action or some part of it.
- (10) If a court vacates, sets aside, or reverses a default judgment against a service member or his or her dependent and the vacating, setting aside, or reversing is because of a provision of this chapter, that action does not impair a right or title acquired by a bona fide purchaser for value.

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