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SENATE BILL 6553

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State of Washington                      63rd Legislature                      2014 Regular Session

By Senators Kline, Hobbs, Hatfield, and Fain

Read first time 02/06/14. Referred to Committee on Law & Justice.

1            AN ACT Relating to the distribution of real property sale proceeds;  
2 and amending RCW 6.21.110.

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

4            **Sec. 1.** RCW 6.21.110 and 1994 c 185 s 3 are each amended to read  
5 as follows:

6            (1) Upon the return of any sale of real estate, the clerk: (a)  
7 Shall enter the cause, on which the execution or order of sale issued,  
8 by its title, on the motion docket, and mark opposite the same: "Sale  
9 of land for confirmation"; (b) shall mail notice of the filing of the  
10 return of sale to all parties who have entered a written notice of  
11 appearance in the action and who have not had an order of default  
12 entered against them; (c) shall file proof of such mailing in the  
13 action; (d) shall apply the proceeds of the sale returned by the  
14 sheriff, or so much thereof as may be necessary, to satisfaction of the  
15 judgment, including interest as provided in the judgment, and shall pay  
16 any excess proceeds as provided in subsection (5) of this section by  
17 direction of court order; and (e) upon confirmation of the sale, shall  
18 deliver the original certificate of sale to the purchaser.

1 (2) The judgment creditor or successful purchaser at the sheriff's  
2 sale is entitled to an order confirming the sale at any time after  
3 twenty days have elapsed from the mailing of the notice of the filing  
4 of the sheriff's return, on motion with notice given to all parties who  
5 have entered a written notice of appearance in the action and who have  
6 not had an order of default entered against them, unless the judgment  
7 debtor, or in case of the judgment debtor's death, the representative,  
8 or any nondefaulting party to whom notice was sent shall file  
9 objections to confirmation with the clerk within twenty days after the  
10 mailing of the notice of the filing of such return.

11 (3) If objections to confirmation are filed, the court shall  
12 nevertheless allow the order confirming the sale, unless on the hearing  
13 of the motion, it shall satisfactorily appear that there were  
14 substantial irregularities in the proceedings concerning the sale, to  
15 the probable loss or injury of the party objecting. In the latter  
16 case, the court shall disallow the motion and direct that the property  
17 be resold, in whole or in part, as the case may be, as upon an  
18 execution received as of that date.

19 (4) Upon a resale, the bid of the purchaser at the former sale  
20 shall be deemed to be renewed and continue in force, and no bid shall  
21 be taken, except for a greater amount. If on resale the property sells  
22 for a greater amount to any person other than the former purchaser, the  
23 clerk shall first repay to the former purchaser out of the proceeds of  
24 the resale the amount of the former purchaser's bid together with  
25 interest as is provided in the judgment.

26 (5)(a) If, after (~~the satisfaction~~) confirmation of the sale and  
27 the judgment is satisfied, there (~~be~~) are any proceeds of the sale  
28 remaining, the clerk shall pay such proceeds, as provided for in (b) of  
29 this subsection, to all interests in, or liens against, the property  
30 eliminated by sale under this section in the order of priority that the  
31 interest, lien, or claim attached to the property. Any remaining  
32 proceeds shall be paid to the judgment debtor, or the judgment debtor's  
33 representative, as the case may be, before the order is made upon the  
34 motion to confirm the sale only if the party files with the clerk a  
35 waiver of all objections made or to be made to the proceedings  
36 concerning the sale; otherwise, the excess proceeds shall remain in the  
37 custody of the clerk until the sale of the property has been disposed

1 of(~~(; but if the sale be confirmed, such excess proceeds shall be paid~~  
2 ~~to the judgment debtor or representative as a matter of course))~~).

3 (b) Anyone seeking disbursement of surplus funds shall file a  
4 motion requesting disbursement in the superior court for the county in  
5 which the surplus funds are deposited. Notice of the motion shall be  
6 served upon or mailed to all persons who had an interest in the  
7 property at the time of sale, and any other party who has entered an  
8 appearance in the proceeding, not less than twenty days prior to the  
9 hearing of the motion. The clerk shall not disburse such remaining  
10 proceeds except upon order of the superior court of such county.

11 (6) The purchaser shall file the original certificate of sale for  
12 record with the recording officer in the county in which the property  
13 is located.

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