
SECOND SUBSTITUTE HOUSE BILL 1514

State of Washington

66th Legislature

2019 Regular Session

By House Appropriations (originally sponsored by Representatives Gregerson, Hansen, Stonier, Davis, and Tharinger)

READ FIRST TIME 03/01/19.

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

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

6 NEW SECTION. **Sec. 1.** This act may be known and cited as the
7 Washington wage recovery act.

8 NEW SECTION. **Sec. 2.** The definitions in this section apply
9 throughout this chapter unless the context clearly requires
10 otherwise.

11 (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.

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
6 claimant as an employee of an employer, as well as any other
7 compensation, interest, statutory damages, liquidated damages, or
8 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,
10 49.46, 49.48, and 49.52 RCW, and the fair labor standards act, 29
11 U.S.C. Sec. 201 et seq.

12 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;

16 (ii) Any property in the state of Washington that is owned or is
17 subsequently acquired by an officer, vice principal, or agent of the
18 employer who is personally liable for a wage claim under RCW
19 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.

23 (b) A person does not have a wage lien under this chapter on any
24 property that is or would be subject to a lien by that person under
25 chapter 60.04 RCW.

26 (2) A wage lien is not effective against:

27 (a) With respect to goods as defined in RCW 62A.9A-102, a buyer
28 in the ordinary course of business, as such term is defined in RCW
29 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
35 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

1 receivable, is not obligated to pay a lien claimant amounts to which
2 the wage lien has attached until that person receives written notice
3 of such lien, nor is the person liable to the lien claimant for any
4 amounts paid out prior to receipt of notice of the wage lien. The
5 notice required must state that the amount due or to become due has
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
8 described in section 4 of this act. After receipt of the notice, the
9 person responsible for payment of such amounts may discharge its
10 obligation by paying the lien claimant and may not discharge the
11 obligation by paying the employer. If requested by the person
12 responsible for payment of such amounts, the lien claimant must,
13 within a reasonable time, furnish reasonable proof that the wage lien
14 continues to exist, and unless such proof is furnished, that person
15 has no obligation to pay the lien claimant and may discharge its
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
18 have not been paid in the time after filing the wage lien constitutes
19 "reasonable proof" for this purpose. Failure to furnish any notice as
20 provided in this section does not affect the status of the wage lien
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.

27 NEW SECTION. **Sec. 4.** (1) To establish a wage lien on real
28 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;

34 (ii) The name of the employer;

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;

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
7 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
16 department of licensing that includes:

17 (i) The name, telephone number, and address of the lien claimant
18 and, if the wage lien has been assigned, the name of the person who
19 assigned the lien;

20 (ii) The name of the employer;

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;

23 (iv) The name of the owner or reputed owner of the property, if
24 known, and if not known, a statement saying the name of the owner is
25 not known;

26 (v) The principal amount for which the wage lien is claimed;

27 (vi) The signature of the lien claimant or of a person authorized
28 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 15 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.

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
4 office of the auditor of the county in which the vessel or vehicle is
5 kept that includes:

6 (i) The name, telephone number, and address of the lien claimant
7 and, if the wage lien has been assigned, the name of the person who
8 assigned the lien;

9 (ii) The name of the employer;

10 (iii) A description of the vehicle or vessel subject to the wage
11 lien;

12 (iv) The name of the owner or reputed owner of the property, if
13 known, and if not known, a statement saying the name of the owner is
14 not known;

15 (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 county auditor as required by RCW
21 36.18.010; and

22 (c) Mail a copy of the notice filed under subsection (2) of this
23 section to the employer's registered agent, the employer's registered
24 business address, or the address where the employer resides, by
25 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:

35 Notice is hereby given that the claimant named below asserts a
36 wage lien pursuant to chapter 60.--- RCW (the new chapter created in

1 section 17 of this act). In support of this wage lien the following
2 information is submitted:

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):
12
13
14
15

16 4. NAME OF OWNER OR REPUTED OWNER (If not known, state "Unknown")
17

18 5. PRINCIPAL AMOUNT FOR WHICH THE WAGE LIEN IS CLAIMED IS:
19

20 6. IF THE CLAIMANT IS THE ASSIGNEE OF THIS CLAIM SO STATE HERE
21 AND STATE THE NAME OF THE ASSIGNOR:
22

23 7. IF THE PERSON SIGNING THIS CLAIM OF WAGE LIEN IS NOT THE
24 CLAIMANT, BUT IS AUTHORIZED TO ACT ON THE CLAIMANT'S BEHALF, STATE
25 THE PERSON'S NAME AND REPRESENTATIVE CAPACITY:

26 NAME:

27 REPRESENTATIVE CAPACITY (e.g., officer or employee of claimant;
28 attorney or agent; representative of lien filing service;
29 administrator, representative, or agent of trustees of employee
30 benefit plan):
31

1 ACKNOWLEDGMENT

2 FOR AN ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY:

3 STATE OF WASHINGTON, COUNTY OF

4, ss.

5, being sworn, says: I,(name of
6 person)., am the claimant. I have read the foregoing claim of
7 wage lien, believe the claim of wage lien to be true and correct
8 under penalty of perjury, and believe the claim of wage lien is not
9 frivolous, is made with reasonable cause, and is not clearly
10 excessive. The foregoing claim of wage lien is my free and voluntary
11 act for the uses and purposes stated therein.

12Dated:.

13

14

15

16 (Signature)

17 FOR AN ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY:

18 STATE OF WASHINGTON, COUNTY OF

19, ss.

20, being sworn, says: I,(name of person). . ., am
21 authorized to act on behalf of the claimant. I have read the
22 foregoing claim of wage lien, believe the claim of wage lien to be
23 true and correct under penalty of perjury, and believe the claim of
24 wage lien is not frivolous, is made with reasonable cause, and is not
25 clearly excessive. The foregoing claim of wage lien is the free and
26 voluntary act of the claimant for the uses and purposes stated
27 therein.

28Dated:.

29

1
2
3 (Signature)

4 CERTIFICATE

5 FOR A CERTIFICATE OF ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY:

6 I certify that I know or have satisfactory evidence that . . .
7 (name of person) . . . is the person who appeared before me, and said
8 person acknowledged that he/she signed this instrument and
9 acknowledged it to be his/her free and voluntary act for the uses and
10 purposes mentioned in the instrument.

11 Dated:

12
13
14
15 (Signature)

16 (Seal or stamp)

17 Title.

18 My appointment.

19 Expires.

20 FOR A CERTIFICATE OF ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY:

21 I certify that I know or have satisfactory evidence that . . .
22 (name of person) . . . is the person who appeared before me, and said
23 person acknowledged that he/she signed this instrument, on oath
24 stated that he/she was authorized to execute the instrument and
25 acknowledged it as the . . . (type of authority, e.g., officer or
26 employee, etc.) . . . of . . . (name of party on behalf of whom
27 instrument was executed) . . . to be the free and voluntary act of
28 such party for the uses and purposes mentioned in the instrument.

29 Dated:

1
2
3 (Signature)
4 (Seal or Stamp)
5 Title.
6 My appointment.
7 Expires.

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

14 (b) For a notice of claim of wage lien on personal property other
15 than a vehicle or vessel filed under this section, the department of
16 licensing shall record the notice. For a notice of claim of wage lien
17 on a vehicle or vessel, the office of the auditor of the county where
18 the vehicle or vessel is kept shall record the notice.

19 (5) The notice of claim of wage lien may be filed at any time
20 prior to the expiration of the statute of limitations for an action
21 to recover the wages that are the subject of the wage lien.

22 (6) Mistakes or errors in the claimed amount owed do not
23 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.

26 NEW SECTION. **Sec. 5.** Any wage lien or right of wage lien
27 created by this chapter and the right of action to recover the wage
28 lien is assignable so as to vest in the assignee all rights and
29 remedies of the assignor, subject to all defenses thereto that might
30 be made.

31 NEW SECTION. **Sec. 6.** (1) A wage lien may be judicially
32 foreclosed by an action in:

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

3 (b) The district court in the county in which the personal
4 property is located if the value of the claim does not exceed the
5 jurisdictional limit of the district court provided in RCW 3.66.020;
6 or

7 (c) The superior court in the county in which the personal
8 property is located if the value of the claim exceeds the
9 jurisdictional limit of the district court provided in RCW 3.66.020.

10 (2) Except as provided in subsection (3) of this section, if the
11 claimant has instituted an action in a court of this state for the
12 wage claim that is the subject of the wage lien, that action shall be
13 deemed an action to foreclose on any property subject to the lien. An
14 action to foreclose the wage lien must be filed within one year of
15 the date the wage lien was recorded.

16 (3) (a) If the claimant receives a judgment on a wage claim from a
17 federal, state, or municipal court, the judgment establishes the
18 amount owed for the purposes of foreclosure under this chapter.

19 (b) If the claimant receives a judgment on a wage claim from a
20 federal, state, or municipal court, that does not have jurisdiction
21 over the claimant's wage lien, the action to foreclose the wage lien
22 must be filed within one year of the date of that court's judgment.

23 (4) (a) A wage lien may also be foreclosed by:

24 (i) The department using the department's collection procedures
25 under RCW 49.48.086 when the claimant has pursued a wage claim in an
26 administrative proceeding and a final and binding citation and notice
27 of assessment has been issued; or

28 (ii) The claimant if a final and binding citation and notice of
29 assessment has been issued by the department and the claimant has
30 timely notified the department that the claimant will pursue
31 foreclosure action on his or her own, without the department's
32 assistance.

33 (b) The citation and notice of assessment issued by the
34 department establishes the amount owed for the purpose of foreclosure
35 under this chapter.

36 (5) A foreclosure action may be brought by the employee
37 individually, the department, the United States department of labor,
38 the office of the attorney general, or a representative of the
39 employee, including a collective bargaining representative or class
40 representative. Multiple wage claims against the same employer may be

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

3 (6) In the judgment resulting from an action to foreclose on the
4 wage lien, the court may order the sale at sheriff's auction or the
5 transfer to the lien claimant of title or possession of any property
6 subject to the wage lien. Whether or not the court makes such an
7 order as part of the judgment, a writ of sale may be issued for any
8 property subject to the wage lien for ten years after a judgment for
9 a wage claim is issued. A wage lien based on an underlying judgment
10 continues in force for an additional ten-year period if the period of
11 execution for the underlying judgment is extended under RCW 6.17.020.

12 (7) In an action to foreclose on a wage lien on a vehicle or
13 vessel, the lien claimant must comply with the requirements of
14 subsection (1) of this section and any other requirements of the
15 department of licensing regarding transferring title and taking
16 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.

19 NEW SECTION. **Sec. 7.** (1) The lien provided by this chapter, for
20 which claims of lien have been recorded, may be foreclosed and
21 enforced as provided under section 6 of this act. The court shall
22 have the power to order the sale of the property. In any action
23 brought to foreclose a lien, the owner shall be joined as a party.
24 The interest in the real property of any person who, prior to the
25 commencement of the action, has a recorded interest in the property,
26 or any part thereof, shall not be foreclosed or affected unless they
27 are joined as a party.

28 (2) A person shall not begin an action to foreclose a lien upon
29 any property while a prior action begun to foreclose another lien on
30 the same property is pending, but if not made a party plaintiff or
31 defendant to the prior action, he or she may apply to the court to be
32 joined as a party thereto, and his or her lien may be foreclosed in
33 the same action. The filing of such application shall toll the
34 running of the period of limitation until disposition of the
35 application or other time set by the court.

36 (3) The court shall grant the application for joinder unless to
37 do so would create an undue delay or cause hardship which cannot be
38 cured by the imposition of costs or other conditions as the court
39 deems just.

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

13 NEW SECTION. **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;

16 (b) If the action for the underlying wage claim is dismissed with
17 prejudice and no appeal is filed within the applicable appeals
18 period. If an appeal is filed, the wage lien continues in force until
19 final judgment is rendered; or

20 (c) Upon payment and acceptance of payment for the employee's
21 wage claim.

22 (2)(a) When the wage lien has been extinguished, the lien
23 claimant shall, within fifteen days, file a release of the wage lien
24 at the place where the wage lien was recorded and pay a filing fee
25 established by the agency where the notice is filed. If a lien
26 claimant fails to file a release of the wage lien, upon demand and
27 fifteen days' notice by the employer or any affected party, mailed to
28 the lien claimant's address as indicated on the notice of the wage
29 lien by certified mail with return receipt requested, the employer or
30 affected party may petition the court for an order releasing the wage
31 lien. If the lien claimant acted unreasonably and in bad faith in
32 refusing to file a release of the wage lien, the employer or affected
33 party shall be entitled to recover its attorneys' fees and costs
34 incurred in the action, and the court in its discretion may also
35 issue a fine not to exceed one thousand dollars.

36 (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;

- 1 (ii) The name, telephone number, and address of the lien
- 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 or vehicles or
 16 vessels must comply with the recording standards established in RCW
 17 65.04.045 and the county auditor shall record the release in the same
 18 manner as deeds and other instruments of title are recorded under
 19 chapter 65.08 RCW.

20 (b) A release of wage lien substantially in the following form is
 21 sufficient, provided it complies with the formatting requirements of
 22 RCW 65.04.045 (1)(a) and (b), (2), and (3):

23 When Recorded Return to:

24 NOTICE OF RELEASE OF WAGE LIEN

25, claimant, vs., name of person indebted to
 26 claimant:

27 Notice is hereby given that the wage lien described below is
 28 released.

29 1. NAME OF PERSON FILING NOTICE OF RELEASE:

30 TELEPHONE NUMBER:

31 ADDRESS:

32 RELATIONSHIP TO WAGE LIEN (lien claimant, representative of lien
 33 claimant, assignee of lien claimant):

1 IF THE PERSON SIGNING THIS NOTICE IS NOT THE CLAIMANT, BUT IS
2 AUTHORIZED TO ACT ON BEHALF OF THE CLAIMANT, STATE THE PERSON'S NAME
3 AND REPRESENTATIVE CAPACITY (e.g., officer or employee of claimant;
4 attorney or agent; representative of lien filing service;
5 administrator, representative, or agent of trustees of employee
6 benefit plan):.
7

8 2. NAME OF LIEN CLAIMANT:.

9 TELEPHONE NUMBER:.

10 ADDRESS:.

11 3. NAME OF EMPLOYER:.

12 4. DESCRIPTION OF THE PERSONAL PROPERTY AGAINST WHICH THE LIEN IS
13 CLAIMED OR FOR A LIEN ON REAL PROPERTY: (1) THE REFERENCE NUMBER OF
14 PREVIOUSLY FILED LIEN, (2) AN ABBREVIATED LEGAL DESCRIPTION OF THE
15 PROPERTY AS DESCRIBED IN RCW 65.04.045, AND (3) THE PARCEL NUMBER OF
16 THE REAL PROPERTY:.
17
18
19
20

21 5. NAME OF OWNER OR REPUTED OWNER (If not known, state "Unknown")
22
23
24

25 6. AMOUNT OF WAGE LIEN CLAIM:.

26 ACKNOWLEDGMENT

27 FOR AN ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY:

28 STATE OF WASHINGTON, COUNTY OF

29, ss.

30, being sworn, says: I, . . . (name of person) . . ., am
31 the (claimant/assignee of the claimant). I have read the foregoing

1 release of wage lien and believe the notice to be true and correct
2 under penalty of perjury.

3Dated:.

4

5

6 (Signature)

7 FOR AN ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY:

8 STATE OF WASHINGTON, COUNTY OF

9, ss.

10, being sworn, says: I, . . .(name of person). . ., am
11 authorized to act on behalf of (claimant/assignee of the claimant). I
12 have read the foregoing release of wage lien and believe the notice
13 to be true and correct under penalty of perjury.

14Dated:.

15

16

17 (Signature)

18 CERTIFICATE

19 FOR A CERTIFICATE OF ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY:

20 I certify that I know or have satisfactory evidence that . . .
21 (name of person) . . . is the person who appeared before me, and said
22 person acknowledged that he/she signed this instrument and
23 acknowledged it to be his/her free and voluntary act for the uses and
24 purposes mentioned in the instrument.

25Dated:.

26

27

28 (Signature)

1 (Seal or stamp)
2 Title.
3 My appointment.
4 Expires.

5 FOR A CERTIFICATE OF ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY:

6 I certify that I know or have satisfactory evidence that . . .
7 (name of person) . . . is the person who appeared before me, and said
8 person acknowledged that he/she signed this instrument, on oath
9 stated that he/she was authorized to execute the instrument and
10 acknowledged it as the . . . (type of authority, e.g., officer or
11 employee, etc.) . . . of . . . (name of party on behalf of whom
12 instrument was executed) . . . to be the free and voluntary act of
13 such party for the uses and purposes mentioned in the instrument.

14 Dated:.
15
16

17 (Signature)

18 (Seal or stamp)
19 Title.
20 My appointment.
21 Expires.

22 NEW SECTION. **Sec. 9.** (1) Except as provided in subsections (2)
23 and (3) of this section, a wage lien recorded under this chapter has
24 priority over all other debts, judgments, decrees, liens, or security
25 interests against the property subject to the wage lien, regardless
26 as to whether these debts, judgments, decrees, liens, or security
27 interests originated before or after the wage lien, and regardless of
28 whether these debts, judgments, decrees, liens, or security interests
29 were perfected prior to the wage lien. A wage lien recorded under

1 this chapter has priority over a lien or security interest of a
2 financial institution only up to four percent of the financial
3 institution's security interest in the property that is encumbered by
4 the wage lien.

5 (2) A statutory lien for wages owed, including but not limited to
6 liens under chapters 60.04, 60.11, 60.16, 60.24, 60.28, 60.34, and
7 60.76 RCW, ranks according to priority in time of filing.

8 (3)(a) A wage lien recorded under this chapter does not have
9 priority over a lien for taxes that the department of revenue is
10 authorized or required to collect and that originates before a lien
11 recorded under this chapter.

12 (b) A wage lien recorded under this chapter does not have
13 priority over liens or income withholding for child support
14 obligations.

15 (4) A wage lien is effective against the estate of the employer.

16 NEW SECTION. **Sec. 10.** A contract between an employer and
17 employee may not waive or require an employee to waive the right to a
18 wage lien under this chapter. A provision of a contract made in
19 violation of this section is void as against the public policy of
20 this state.

21 NEW SECTION. **Sec. 11.** The claim of wage lien, when filed as
22 required by this chapter, constitutes notice to the spouse or the
23 domestic partner of the person who appears on record to be the owner
24 of the property sought to be charged with the wage lien, and subjects
25 all the community interest of both spouses or both domestic partners
26 to the wage lien.

27 NEW SECTION. **Sec. 12.** This chapter is to be liberally construed
28 to provide security for all persons intended to be protected by its
29 provisions.

30 **Sec. 13.** RCW 49.48.086 and 2014 c 210 s 1 are each amended to
31 read as follows:

32 (1) After a final order is issued under RCW 49.48.084, if an
33 employer defaults in the payment of: (a) Any wages determined by the
34 department to be owed to an employee, including interest; or (b) any
35 civil penalty ordered by the department under RCW 49.48.083, the
36 director may file with the clerk of any county within the state a

1 warrant in the amount of the payment plus any filing fees. The clerk
2 of the county in which the warrant is filed shall immediately
3 designate a superior court cause number for the warrant, and the
4 clerk shall cause to be entered in the judgment docket under the
5 superior court cause number assigned to the warrant, the name of the
6 employer mentioned in the warrant, the amount of payment due on it
7 plus any filing fees, and the date when the warrant was filed. The
8 aggregate amount of the warrant as docketed becomes a lien upon the
9 title to, and interest in, all real and personal property of the
10 employer against whom the warrant is issued, the same as a judgment
11 in a civil case docketed in the office of the clerk. The sheriff
12 shall proceed upon the warrant in all respects and with like effect
13 as prescribed by law with respect to execution or other process
14 issued against rights or property upon judgment in a court of
15 competent jurisdiction. The warrant so docketed is sufficient to
16 support the issuance of writs of garnishment in favor of the state in
17 a manner provided by law in case of judgment, wholly or partially
18 unsatisfied. The clerk of the court is entitled to a filing fee which
19 will be added to the amount of the warrant. A copy of the warrant
20 shall be mailed to the employer within three days of filing with the
21 clerk.

22 (2) (a) The director may issue to any person, firm, corporation,
23 other entity, municipal corporation, political subdivision of the
24 state, a public corporation, or any agency of the state, a notice and
25 order to withhold and deliver property of any kind when he or she has
26 reason to believe that there is in the possession of the person,
27 firm, corporation, other entity, municipal corporation, political
28 subdivision of the state, public corporation, or agency of the state,
29 property that is or will become due, owing, or belonging to an
30 employer upon whom a notice of assessment has been served by the
31 department for payments or civil penalties due to the department. The
32 effect of a notice and order is continuous from the date the notice
33 and order is first made until the liability out of which the notice
34 and order arose is satisfied or becomes unenforceable because of
35 lapse of time. The department shall release the notice and order when
36 the liability out of which the notice and order arose is satisfied or
37 becomes unenforceable by reason of lapse of time and shall notify the
38 person against whom the notice and order was made that the notice and
39 order has been released.

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

25 (c) As an alternative to the methods of service described in this
26 section, the department may electronically serve a financial
27 institution with a notice and order to withhold and deliver by
28 providing a list of its outstanding warrants, except those for which
29 a payment agreement is in good standing, to the department of
30 revenue. The department of revenue may include the warrants provided
31 by the department in a notice and order to withhold and deliver
32 served under RCW 82.32.235(3). A financial institution that is served
33 with a notice and order to withhold and deliver under this subsection
34 (2)(c) must answer the notice within the time period applicable to
35 service under RCW 82.32.235(3). The department and the department of
36 revenue may adopt rules to implement this subsection (2)(c).

37 (3)(a) In addition to the procedure for collection of wages owed,
38 including interest, and civil penalties as set forth in this section,
39 the department may recover wages owed, including interest, and civil
40 penalties assessed under RCW 49.48.083 in a civil action brought in a

1 court of competent jurisdiction of the county where the violation is
2 alleged to have occurred.

3 (b) The department may use the procedures under this section to
4 foreclose wage liens established under chapter 60.--- RCW (the new
5 chapter created in section 17 of this act). When the department is
6 foreclosing on a wage lien, the date the wage lien was originally
7 filed shall be the date by which priority is determined, regardless
8 of the date the warrant is filed under this section. If a claimant
9 has timely notified the department that the claimant will pursue
10 foreclosure on their own, without the department's assistance, the
11 department is not required to file a warrant under this section and
12 is relieved from any liability related to foreclosing on the
13 claimant's wage lien.

14 (4) Whenever any employer quits business, sells out, exchanges,
15 or otherwise disposes of the employer's business or stock of goods,
16 any person who becomes a successor to the business becomes liable for
17 the full amount of any outstanding citation and notice of assessment
18 or penalty against the employer's business under this chapter if, at
19 the time of the conveyance of the business, the successor has: (a)
20 Actual knowledge of the fact and amount of the outstanding citation
21 and notice of assessment or (b) a prompt, reasonable, and effective
22 means of accessing and verifying the fact and amount of the
23 outstanding citation and notice of assessment from the department. If
24 the citation and notice of assessment or penalty is not paid in full
25 by the employer within ten days of the date of the sale, exchange, or
26 disposal, the successor is liable for the payment of the full amount
27 of the citation and notice of assessment or penalty, and payment
28 thereof by the successor must, to the extent thereof, be deemed a
29 payment upon the purchase price. If the payment is greater in amount
30 than the purchase price, the amount of the difference becomes a debt
31 due the successor from the employer.

32 (5) This section does not affect other collection remedies that
33 are otherwise provided by law.

34 NEW SECTION. Sec. 14. A new section is added to chapter 43.24
35 RCW to read as follows:

36 For the purposes of implementing the notice and filing provisions
37 under sections 4(2)(a) and 8 of this act that are applicable to the
38 department of licensing, the department of licensing may, by rule,
39 create wage lien forms specific to the department of licensing, so

1 long as the forms include the information described in those
2 sections.

3 NEW SECTION. **Sec. 15.** A new section is added to chapter 43.24
4 RCW to read as follows:

5 The department of licensing wage lien account is created in the
6 state treasury. All receipts from wage lien filing fees collected by
7 the department of licensing must be deposited in the account. Moneys
8 in the account may be spent only after appropriation. Expenditures
9 from the account may be used only to administer wage lien filings in
10 section 4 of this act.

11 NEW SECTION. **Sec. 16.** This act takes effect January 1, 2020.

12 NEW SECTION. **Sec. 17.** Sections 1 through 12 and 16 of this act
13 constitute a new chapter in Title 60 RCW.

14 NEW SECTION. **Sec. 18.** If specific funding for the purposes of
15 this act, referencing this act by bill or chapter number, is not
16 provided by June 30, 2019, in the omnibus appropriations act, this
17 act is null and void.

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