

# SENATE BILL REPORT

## SB 5863

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As of January 19, 2024

**Title:** An act relating to prohibiting credit reporting on delinquent accounts that are designated to a person in a divorce.

**Brief Description:** Prohibiting credit reporting on delinquent accounts that are designated to a person in a divorce.

**Sponsors:** Senators Fortunato, Dozier, Padden, Wilson, J. and Wilson, L..

**Brief History:**

**Committee Activity:** Business, Financial Services, Gaming & Trade: 1/23/24.

**Brief Summary of Bill**

- Directs credit reporting agencies to list both parties as debtors if a debt is assigned to someone else after a divorce upon notice from a creditor.

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### SENATE COMMITTEE ON BUSINESS, FINANCIAL SERVICES, GAMING & TRADE

**Staff:** Clint McCarthy (786-7319)

**Background:** Current law requires that the disposition of property in a divorce proceeding to be just and equitable after considering all relevant factors including, but not limited to:

- the nature and extent of the community property;
- the nature and extent of separate property;
- the duration of the marriage or domestic partnership; and
- the economic circumstances of each spouse at the time the division of property is to become effective.

Before assets and liabilities are divided, each asset and debt is characterized as community or separate. Each asset has to be valued. This can be done by selling the item, having it appraised by an expert, or agreeing to a valuation. Finally, assets and debts are divided

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between the two parties.

Debts incurred during marriages are presumed to be community debts. Washington courts have the authority to award debt to either party regardless of whose name the debt is held in and whether it is considered separate or community debt.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed Substitute):** Directs credit reporting agencies to list both parties as debtors if a debt is assigned to someone else after a dissolution proceeding—divorce—upon notice from a creditor.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.