SENATE BILL 5234

State of Washington	68th Legislature	2023 Regular Session
By Senator Shewmake		
Read first time 01/10/23.	Referred to Committee	on Labor & Commerce.

AN ACT Relating to a lien claimant's responsibilities when filing mechanics' and materialmen's liens; amending RCW 60.04.091 and 60.04.081; and adding a new section to chapter 60.04 RCW.

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

5 Sec. 1. RCW 60.04.091 and 1992 c 126 s 7 are each amended to 6 read as follows:

Every person claiming a lien under RCW 60.04.021 shall file for recording, in the county where the subject property is located, a notice of claim of lien not later than ((ninety)) <u>90</u> days after the person has ceased to furnish labor, professional services, materials, or equipment or the last date on which employee benefit contributions were due. The notice of claim of lien:

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(1) Shall state in substance and effect:

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(a) The name, phone number, and address of the claimant;

(b) The first and last date on which the labor, professional services, materials, or equipment was furnished or employee benefit contributions were due;

18 (c) The name of the person indebted to the claimant;

(d) The street address, legal description, or other description reasonably calculated to identify, for a person familiar with the area, the location of the real property to be charged with the lien; 1 (e) The name of the owner or reputed owner of the property, if 2 known, and, if not known, that fact shall be stated; and

(f) The principal amount for which the lien is claimed((\cdot)):

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4 (2) <u>Shall include a concise statement of facts stating why the</u>
5 <u>notice of claim of lien is being filed and include substantiating</u>
6 <u>documentation;</u>

7 (3) Shall be signed by the claimant or some person authorized to act on his or her behalf who shall affirmatively state they have read 8 the notice of claim of lien and believe the notice of claim of lien 9 to be true and correct under penalty of perjury, and shall be 10 11 acknowledged pursuant to chapter 64.08 RCW. If the lien has been assigned, the name of the assignee shall be stated. Where an action 12 to foreclose the lien has been commenced such notice of claim of lien 13 14 may be amended as pleadings may be by order of the court insofar as the interests of third parties are not adversely affected by such 15 16 amendment. A claim of lien substantially in the following form shall 17 be sufficient:

CLAIM OF LIEN

19 , claimant, vs , name of person 20 indebted to claimant: 21 Notice is hereby given that the person named below claims a 22 lien pursuant to chapter ((64.04)) 60.04 RCW. In support of 23 this lien the following information is submitted:

24	1.	NAME OF LIEN CLAIMANT:
25		TELEPHONE NUMBER:
26		ADDRESS:

1 5. NAME OF THE OWNER OR REPUTED OWNER (If not known state 2 3 "unknown"): • DATE ON 4 6. THE LAST WHICH LABOR WAS PERFORMED; 5 PROFESSIONAL SERVICES WERE FURNISHED; CONTRIBUTIONS TO AN EMPLOYEE BENEFIT PLAN WERE DUE; OR MATERIAL, OR EQUIPMENT WAS 6 7 8 9 7. PRINCIPAL AMOUNT FOR WHICH THE LIEN IS CLAIMED IS: . 8. IF THE CLAIMANT IS THE ASSIGNEE OF THIS CLAIM SO STATE 10 11 . . . 12 13, Claimant 14 15 16 (Phone number, address, city, and 17 state of claimant) 18 STATE OF WASHINGTON, COUNTY OF 19 , SS. 20 , being sworn, says: I am the claimant (or attorney of 21 the claimant, or administrator, representative, or agent of the 22 trustees of an employee benefit plan) above named; I have read or 23 heard the foregoing claim, read and know the contents thereof, and 24 believe the same to be true and correct and that the claim of lien is 25 not frivolous and is made with reasonable cause, and is not clearly 26 excessive under penalty of perjury. 27 28 Subscribed and sworn to before me this day of 29 30 The period provided for recording the claim of lien is a period 31 of limitation and no action to foreclose a lien shall be maintained 32 unless the claim of lien is filed for recording within the ((ninety-33 day)) 90-day period stated. The lien claimant shall give a copy of 34 the claim of lien to the owner or reputed owner by mailing it by 35 certified or registered mail or by personal service within

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1 ((fourteen)) <u>14</u> days of the time the claim of lien is filed for 2 recording. Failure to do so results in a forfeiture of any right the 3 claimant may have to attorneys' fees and costs against the owner 4 under RCW 60.04.181.

5 <u>NEW SECTION.</u> Sec. 2. A new section is added to chapter 60.04 6 RCW to read as follows:

7 (1)(a) If an owner requests clarification or additional 8 information from the lien claimant regarding the statement of facts 9 or documentation provided under RCW 60.04.091(2), the lien claimant 10 shall respond to the owner within 14 days of the owner's request.

11 (b) The lien claimant may respond through the lien claimant's 12 agent or attorney.

13 (2) The lien claimant's failure to respond within 14 days of the 14 owner's request for clarification or additional information may be 15 considered by a court when determining whether the lien is frivolous 16 and made without reasonable cause under RCW 60.04.081.

17 Sec. 3. RCW 60.04.081 and 2006 c 192 s 3 are each amended to 18 read as follows:

19 (1) Any owner of real property subject to a recorded claim of lien under this chapter, or contractor, subcontractor, lender, or 20 lien claimant who believes the claim of lien to be frivolous and made 21 22 without reasonable cause, or clearly excessive may apply by motion to 23 the superior court for the county where the property, or some part 24 thereof is located, for an order directing the lien claimant to appear before the court at a time no earlier than six nor later than 25 26 ((fifteen)) 15 days following the date of service of the application 27 and order on the lien claimant, and show cause, if any he or she has, why the relief requested should not be granted. The motion shall 28 29 state the grounds upon which relief is asked, and shall be supported 30 by the affidavit of the applicant or his or her attorney setting forth a concise statement of the facts upon which the motion is 31 32 based.

33 (2) The order shall clearly state that if the lien claimant fails 34 to appear at the time and place noted the lien shall be released, 35 with prejudice, and that the lien claimant shall be ordered to pay 36 the costs requested by the applicant including reasonable attorneys' 37 fees.

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1 (3) If no action to foreclose the lien claim has been filed, the 2 clerk of the court shall assign a cause number to the application and 3 obtain from the applicant a filing fee pursuant to RCW 36.18.016. If 4 an action has been filed to foreclose the lien claim, the application 5 shall be made a part of that action.

6 (4)(a) If, following a hearing on the matter, the court determines that the lien is frivolous and made without reasonable 7 cause, or clearly excessive, the court shall issue an order releasing 8 the lien if frivolous and made without reasonable cause, or reducing 9 the lien if clearly excessive, and awarding costs and reasonable 10 attorneys' fees to the applicant to be paid by the lien claimant. If 11 12 the court determines that the lien is not frivolous and was made with reasonable cause, and is not clearly excessive, the court shall issue 13 an order so stating and awarding costs and reasonable attorneys' fees 14 to the lien claimant to be paid by the applicant. 15

16 (b) When determining whether a lien is frivolous and made without 17 reasonable cause, the court may consider the lien claimant's failure 18 to respond to an owner's request for clarification or additional 19 information, as required under section 2 of this act.

(5) Proceedings under this section shall not affect other rights and remedies available to the parties under this chapter or otherwise.

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