## **HOUSE BILL REPORT**

## **SSB 5202**

As Reported By House Committee on: Judiciary

Title: An act relating to civil judgments.

Brief Description: Changing provisions relating to civil judgments.

Sponsor(s): Senate Committee on Law & Justice (originally sponsored by Senators Nelson and Madsen).

## Brief History:

Reported by House Committee on: Judiciary, April 5, 1991, DP.

## HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass. Signed by 10 members: Representatives Appelwick, Chair; Paris, Assistant Ranking Minority Member; Belcher; Hargrove; R. Meyers; H. Myers; Riley; Scott; Vance; and Wineberry.

Minority Report: Do not pass. Signed by 8 members: Representatives Ludwig, Vice Chair; Padden, Ranking Minority Member; Broback; Forner; Inslee; Mielke; D. Sommers; and Tate.

Staff: Jeff Fishel (786-7191).

Background: A civil judgment for the payment of money or delivery of property is a lien on the property of the judgment debtor until satisfied. The lien must be enforced within 10 years from the date of entry by the court.

Specific provisions govern when a judgment lien on real property becomes effective. Generally, if a court, other than a state district court, appellate court, or the state Supreme Court, is in the same county as the real property of the judgment debtor, the lien becomes effective when the judgment is entered by the court. For other courts, other than a state district court, the lien is effective when an abstract of the judgment is filed in the county where the property is located. If the judgment is from a state district court in the county where the property is located, the lien begins when a transcript of the district court's

docket is filed with the county clerk. If the property is not located in the same county as the district court, the lien begins when an abstract of the clerk's record of the rendering county is filed with the clerk where the property is located.

A judgment lien is removed upon the satisfaction of the judgment which is noted on the execution calendar of the court rendering the judgment. A certificate of satisfaction may be filed with the clerk of any county where an abstract of the judgment is filed.

When a judgment is assigned, the assignment may be filed with the county clerk where the judgment is rendered. A copy of the assignment may be filed with the clerk of any county where an abstract of the judgment is filed. Assignments must be formally acknowledged as deeds are acknowledged before filing. The filing acts as notice of the assignment to interested parties, i.e., potential purchasers and land title companies.

Summary of Bill: The changes made by the bill apply only to judgments rendered after the effective date of the bill.

Judgment liens based on a judgment rendered by a United States District Court, or a state superior court, appellate court, or the state Supreme Court, would begin when a memorandum of the judgment is recorded with the county auditor of the county where the judgment debtor's real property is located. Judgment liens based on a judgment from a district court would begin when a memorandum of the transcript of the judgment filed with the county clerk of the rendering county is filed with the county auditor.

When a county clerk certifies satisfaction of a judgment lien, a certificate of satisfaction, or a certified copy of the satisfaction, must be recorded with the county auditor in each county where the judgment or memorandum of judgment is recorded. The recording of the certificate or certified copy of the satisfaction is notice of satisfaction.

An assignment of a judgment also may be recorded with the county auditor in both the county where the judgment is rendered and the county or counties where a memorandum of the judgment is filed. Recording the assignment with the county auditor is notice of the assignment. Assignments to the Washington State Support Registry are not covered by this requirement.

Under the bill, judgment creditors are directly responsible for recording judgments, and the court must include within the judgment, costs of filing and recording. Judgments for criminal fines that become liens on the real estate of the defendant are also required to be recorded.

Fiscal Note: Available.

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

Testimony For: Problems arise in discovering judgment liens because budget problems cause county clerks to file judgments late, sometimes six months after the judgment is rendered. Requiring a memorandum of the judgment to be recorded will ease discovery because it will be recorded in the same place as other encumbrances on real property. Liens on property in excess of homestead are required to be recorded.

Testimony Against: None.

Witnesses: Warren Olson, Washington Land Title Association (in favor of bill).