

HOUSE BILL REPORT

ESB 5449

As Reported By House Committee On:
Judiciary

Title: An act relating to judgments.

Brief Description: Changing provisions regarding judgments.

Sponsors: Senator Hargrove.

Brief History:

Reported by House Committee on:
Judiciary, February 25, 1994, DPA.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass as amended. Signed by 17 members: Representatives Appelwick, Chair; Johanson, Vice Chair; Padden, Ranking Minority Member; Ballasiotes, Assistant Ranking Minority Member; Campbell; Chappell; Eide; Forner; J. Kohl; Long; Morris; H. Myers; Riley; Schmidt; Scott; Tate and Wineberry.

Staff: Margaret Allen (786-7191).

Background: By law, each judgment providing for the payment of money is to be summarized on the first page. This requirement assists the county clerk with record-keeping. On occasion, a summary is either incorrect or missing altogether.

When a money judgment is paid through a court, the court clerk is required to file a satisfaction of judgment, which releases any liens based on that judgment. When a judgment is not paid through a court, but is paid instead through the Department of Social and Health Services or Department of Corrections, a satisfaction of judgment inadvertently may not be filed. The failure to file a satisfaction of judgment may result in problems of clearing records and liens.

When funds are held in trust by a court, the interest earned on such funds can be used for general county purposes, unless the funds held in trust are at least \$2,000 and a litigant has requested in writing that the funds be invested, and the income be paid to the beneficiary. However, if the written request does not arrive until after

the funds have begun earning interest, some interest income may already have been transferred to the county current expense fund and used by the county.

Under most local rules, the proceeds from the sale of real estate generally are distributed pursuant to court order. There is some concern a court clerk might be personally liable for distributions made in the absence of a court order.

Summary of Amended Bill: A judgment does not take effect and the court clerk may not sign or file a judgment unless it contains the required summary. The clerk is not liable for an incorrect summary.

The Department of Social and Health Services must file a satisfaction of judgment for welfare fraud conviction, if the judgment is not paid through the court clerk's office.

The Department of Corrections must file a satisfaction of judgment if a monetary judgment is not paid through the court clerk's office.

Interest from the investment of funds held in trust by a court will only accrue to the beneficiary from the date a written request is filed.

Excess proceeds from sales of real estate in satisfaction of judgments must be distributed by direction of court order.

Amended Bill Compared to Engrossed Bill: An implicit assumption that another pending bill will pass the Legislature is removed. The other pending bill would allow a judgment creditor to apply to a court for an additional 10 years in which to enforce a judgment.

Fiscal Note: Not requested.

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

Testimony For: It is important that court records be accurate. This bill makes accuracy easier to achieve.

Testimony Against: None.

Witnesses: Jackie Busse, Washington State Association of County Clerks (pro); and Debbie Wilke, Washington Association of County Officials (pro).