

# HOUSE BILL REPORT

## HB 2461

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**As Reported By House Committee On:**  
Judiciary

**Title:** An act relating to satisfaction of judgments.

**Brief Description:** Acknowledging the satisfaction of a judgment.

**Sponsors:** Representatives Reardon, Santos, Ruderman and Grant.

**Brief History:**

**Committee Activity:**

Judiciary: 1/27/00, 2/3/00 [DPS].

**Brief Summary of Substitute Bill**

- Explicitly places a duty on the judgment creditor to file an acknowledgment of satisfaction.
- Makes a judgment creditor liable for interest and damages if the creditor fails to file an acknowledgment with the court within 60 days of receiving payment for the judgment.

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### HOUSE COMMITTEE ON JUDICIARY

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Carrell, Republican Co-Chair; Hurst, Democratic Vice Chair; Cox; Dickerson; Kastama; Lantz; Lovick; McDonald and Schindler.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Lambert, Republican Vice Chair and Esser.

**Staff:** Trudes Hutcheson (786-7384).

**Background:**

When a judgment is entered in a court case, the clerk of the court is responsible for processing certain paperwork associated with the judgment. The clerk must enter the judgment into the court execution docket, which allows a record to be kept of the parties' compliance with the requirements of the judgment.

Once the judgment is entered in court, the judgment becomes a lien on any of the debtor's real property located in the county of the court in which the judgment was rendered. A judgment rendered by a court in any other county becomes a lien when a certified abstract of the judgment is filed with the clerk of the county where the debtor's real property is located.

A judgment debtor may make payments to the court clerk or to the judgment creditor. The court clerk must note on the execution docket that the judgment has been satisfied when the debtor makes the payment to the clerk or when the judgment creditor files with the clerk a satisfaction of judgment. A certificate of satisfaction of the judgment may be filed with the clerk of any county in which an abstract of the judgment has been filed. When the judgment has been satisfied or a certificate of satisfaction has been filed, the judgment lien shall be discharged.

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**Summary of Substitute Bill:**

A judgment creditor must file an acknowledgment of satisfaction with the court if payment was made to a person other than the court clerk.

If the judgment creditor fails to file an acknowledgment of satisfaction with the court within 60 days of receiving payment when the debtor pays the creditor instead of the court, the judgment creditor is liable for:

- (a) an amount equal to the interest on the judgment computed at 12 percent per year from the 61st day after the payment until the judgment creditor acknowledges the satisfaction; and
- (b) actual damages or \$250, whichever is greater, and any costs and attorney fees associated with actions taken by the debtor to get the satisfaction acknowledged by the court.

**Substitute Bill Compared to Original Bill:** The substitute bill adds the explicit duty on judgment creditors to file an acknowledgment of satisfaction with the court.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Sometimes after a judgment debtor pays off a debt, the judgment is never taken off the record. Collection agencies should have to retire the debts that are paid.

**Testimony Against:** It is already common practice for the judgement creditor to file an acknowledgment with the court. It's unnecessary to take common practice and make it mandatory. Liability should be imposed only if the creditor is willful.

**Testified:** (In support) Representative Reardon, prime sponsor.

(Opposed) Kevin Underwood, Washington Collectors Association.