

# SENATE BILL REPORT

## SHB 2461

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As Reported By Senate Committee On:  
Judiciary, February 25, 2000

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

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

**Sponsors:** House Committee on Judiciary (originally sponsored by Representatives Reardon, Santos, Ruderman and Grant).

**Brief History:**

**Committee Activity:** Judiciary: 2/24/2000, 2/25/2000 [DPA].

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### SENATE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass as amended.

Signed by Senators Heavey, Chair; Kline, Vice Chair; Goings, Hargrove, Haugen, Johnson, Long, McCaslin, Thibaudeau and Zarelli.

**Staff:** Karen Lundahl (786-7421)

**Background:** Judgments resulting from court actions are entered by the clerk of the court on the execution docket, allowing a record to be kept of compliance with the requirements of the judgment. Once filed, a judgment becomes a lien on any of the debtor's real property located in the county in which the judgment is filed.

A judgment debtor may make payments to either the court clerk or the judgment creditor. When the debtor pays the clerk in full or when the judgment creditor files a satisfaction of judgment with the clerk, the clerk must note on the execution docket that the judgment has been satisfied, discharging the judgment lien.

If a judgment creditor fails to file a satisfaction of judgment when the debt has been paid in full, a debtor's credit can be impaired and future financing transactions jeopardized.

**Summary of Amended Bill:** It is mandated that the judgment creditor file an acknowledgment of satisfaction with the clerk when the debtor has paid the creditor. Before any penalty can be imposed for failure to file an acknowledgment of satisfaction of judgment, the debtor must make a written request to the judgment creditor to do so. If the judgment creditor fails to comply with the request within 60 days, the court has the discretion to impose damages and reasonable attorney fees. If convinced that the judgment has been fully satisfied, the court can order the clerk to satisfy the judgment on the execution docket.

**Amended Bill Compared to Substitute Bill:** The amended bill removes the provision for an automatic interest penalty running from the 61<sup>st</sup> day after the payment of the judgment until the satisfaction is filed, and allows the court discretion in awarding damages. The

substitute bill did not authorize the court to direct the clerk to satisfy the judgment on the execution docket.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** This takes care of a problem which previously had no remedy. It will allow a person who has fully paid a court ordered judgment to insure that payment is reflected in the court records, even in the case of a reluctant or absent judgment creditor. Taking out the automatic penalty provisions protects innocent judgment creditors who did not know they needed to file a satisfaction of judgment or relied on a third party to do so.

**Testimony Against:** None.

**Testified:** PRO: Rep. Reardon, prime sponsor; Daniel Brink, WSBA; Kevin Underwood, WA Collectors Assn.