

SHB 1805 - S AMD 407

By Senators Kline, McCaslin

ADOPTED 04/11/2007

1 Strike everything after the enacting clause and insert the  
2 following:

3 "Sec. 1. RCW 6.13.030 and 1999 c 403 s 4 are each amended to read  
4 as follows:

5 A homestead may consist of lands, as described in RCW 6.13.010,  
6 regardless of area, but the homestead exemption amount shall not exceed  
7 the lesser of (1) the total net value of the lands, manufactured homes,  
8 mobile home, improvements, and other personal property, as described in  
9 RCW 6.13.010, or (2) the sum of (~~forty~~) one hundred twenty-five  
10 thousand dollars in the case of lands, manufactured homes, mobile home,  
11 and improvements, or the sum of fifteen thousand dollars in the case of  
12 other personal property described in RCW 6.13.010, except where the  
13 homestead is subject to execution, attachment, or seizure by or under  
14 any legal process whatever to satisfy a judgment in favor of any state  
15 for failure to pay that state's income tax on benefits received while  
16 a resident of the state of Washington from a pension or other  
17 retirement plan, in which event there shall be no dollar limit on the  
18 value of the exemption.

19 **Sec. 2.** RCW 6.13.080 and 2005 c 292 s 4 are each amended to read  
20 as follows:

21 The homestead exemption is not available against an execution or  
22 forced sale in satisfaction of judgments obtained:

23 (1) On debts secured by mechanic's, laborer's, construction,  
24 maritime, automobile repair, materialmen's or vendor's liens arising  
25 out of and against the particular property claimed as a homestead;

26 (2) On debts secured (a) by security agreements describing as  
27 collateral the property that is claimed as a homestead or (b) by  
28 mortgages or deeds of trust on the premises that have been executed and  
29 acknowledged by the husband and wife or by any unmarried claimant;

1 (3) On one spouse's or the community's debts existing at the time  
2 of that spouse's bankruptcy filing where (a) bankruptcy is filed by  
3 both spouses within a six-month period, other than in a joint case or  
4 a case in which their assets are jointly administered, and (b) the  
5 other spouse exempts property from property of the estate under the  
6 bankruptcy exemption provisions of 11 U.S.C. Sec. 522(d);

7 (4) On debts arising from a lawful court order or decree or  
8 administrative order establishing a child support obligation or  
9 obligation to pay spousal maintenance;

10 (5) On debts owing to the state of Washington for recovery of  
11 medical assistance correctly paid on behalf of an individual consistent  
12 with 42 U.S.C. Sec. 1396p; (~~(e)~~)

13 (6) On debts secured by a condominium's or homeowner association's  
14 lien. In order for an association to be exempt under this provision,  
15 the association must have provided a homeowner with notice that  
16 nonpayment of the association's assessment may result in foreclosure of  
17 the association lien and that the homestead protection under this  
18 chapter shall not apply. An association has complied with this notice  
19 requirement by mailing the notice, by first class mail, to the address  
20 of the owner's lot or unit. The notice required in this subsection  
21 shall be given within thirty days from the date the association learns  
22 of a new owner, but in all cases the notice must be given prior to the  
23 initiation of a foreclosure. The phrase "learns of a new owner" in  
24 this subsection means actual knowledge of the identity of a homeowner  
25 acquiring title after June 9, 1988, and does not require that an  
26 association affirmatively ascertain the identity of a homeowner.  
27 Failure to give the notice specified in this subsection affects an  
28 association's lien only for debts accrued up to the time an association  
29 complies with the notice provisions under this subsection; or

30 (7) On debts owed for taxes collected under chapters 82.08, 82.12,  
31 and 82.14 RCW but not remitted to the department of revenue.

32 **Sec. 3.** RCW 6.13.090 and 1988 c 231 s 4 are each amended to read  
33 as follows:

34 A judgment against the owner of a homestead shall become a lien on  
35 the value of the homestead property in excess of the homestead  
36 exemption from the time the judgment creditor records the judgment with  
37 the recording officer of the county where the property is located.

1 However, if a judgment of a district court of this state has been  
2 transferred to a superior court, the judgment becomes a lien from the  
3 time of recording with such recording officer a duly certified abstract  
4 of the record of such judgment as it appears in the office of the clerk  
5 in which the transfer was originally filed. A department of revenue  
6 tax warrant filed pursuant to RCW 82.32.210 shall become a lien on the  
7 value of the homestead property in excess of the homestead exemption  
8 from the time of filing in superior court."

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9 On page 1, line 1 of the title, after "amount;" strike the  
10 remainder of the title and insert "and amending RCW 6.13.030, 6.13.080,  
11 and 6.13.090."

EFFECT: The amendment adds manufactured homes to the homestead exemption and raises the exemption amount from \$100,000 to \$125,000. The amendment exempts the department of revenue from the homestead exemption for sales taxes collected by the property owner and held in trust. Taxes due that were not collected in trust would be subject to the homeowner exemption and would only be collected above the exemption amount.

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