
SUBSTITUTE HOUSE BILL 1467

State of Washington

63rd Legislature

2013 Regular Session

By House Labor & Workforce Development (originally sponsored by Representatives Green, Sells, Reykdal, Ormsby, McCoy, Van De Wege, Appleton, and Bergquist; by request of Department of Labor & Industries)

READ FIRST TIME 02/18/13.

1 AN ACT Relating to the collection of unpaid wages; amending RCW
2 49.48.086; and adding a new section to chapter 49.48 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 49.48.086 and 2010 c 42 s 4 are each amended to read
5 as follows:

6 (1) After a final order is issued under RCW 49.48.084, if an
7 employer defaults in the payment of: (a) Any wages determined by the
8 department to be owed to an employee, including interest; or (b) any
9 civil penalty ordered by the department under RCW 49.48.083, the
10 director may file with the clerk of any county within the state a
11 warrant in the amount of the payment plus any filing fees. The clerk
12 of the county in which the warrant is filed shall immediately designate
13 a superior court cause number for the warrant, and the clerk shall
14 cause to be entered in the judgment docket under the superior court
15 cause number assigned to the warrant, the name of the employer
16 mentioned in the warrant, the amount of payment due on it plus any
17 filing fees, and the date when the warrant was filed. The aggregate
18 amount of the warrant as docketed becomes a lien upon the title to, and
19 interest in, all real and personal property of the employer against

1 whom the warrant is issued, the same as a judgment in a civil case
2 docketed in the office of the clerk. The sheriff shall proceed upon
3 the warrant in all respects and with like effect as prescribed by law
4 with respect to execution or other process issued against rights or
5 property upon judgment in a court of competent jurisdiction. The
6 warrant so docketed is sufficient to support the issuance of writs of
7 garnishment in favor of the state in a manner provided by law in case
8 of judgment, wholly or partially unsatisfied. The clerk of the court
9 is entitled to a filing fee which will be added to the amount of the
10 warrant. A copy of the warrant shall be mailed to the employer within
11 three days of filing with the clerk.

12 (2)(a) The director may issue to any person, firm, corporation,
13 other entity, municipal corporation, political subdivision of the
14 state, a public corporation, or any agency of the state, a notice and
15 order to withhold and deliver property of any kind when he or she has
16 reason to believe that there is in the possession of the person, firm,
17 corporation, other entity, municipal corporation, political subdivision
18 of the state, public corporation, or agency of the state, property that
19 is or will become due, owing, or belonging to an employer upon whom a
20 notice of assessment has been served by the department for payments or
21 civil penalties due to the department. The effect of a notice and
22 order is continuous from the date the notice and order is first made
23 until the liability out of which the notice and order arose is
24 satisfied or becomes unenforceable because of lapse of time. The
25 department shall release the notice and order when the liability out of
26 which the notice and order arose is satisfied or becomes unenforceable
27 by reason of lapse of time and shall notify the person against whom the
28 notice and order was made that the notice and order has been released.

29 (b) The notice and order to withhold and deliver must be served by
30 the sheriff of the county or by the sheriff's deputy, by ~~((certified~~
31 ~~mail, return receipt requested, or by))~~ a method for which receipt can
32 be confirmed or tracked, or by any authorized representative of the
33 director. A person, firm, corporation, other entity, municipal
34 corporation, political subdivision of the state, public corporation, or
35 agency of the state upon whom service has been made shall answer the
36 notice within twenty days exclusive of the day of service, under oath
37 and in writing, and shall make true answers to the matters inquired of
38 in the notice and order. Upon service of the notice and order, if the

1 party served possesses any property that may be subject to the claim of
2 the department, the party shall promptly deliver the property to the
3 director. The director shall hold the property in trust for
4 application on the employer's indebtedness to the department, or for
5 return without interest, in accordance with a final determination of a
6 petition for review. In the alternative, the party shall furnish a
7 good and sufficient surety bond satisfactory to the director
8 conditioned upon final determination of liability. If a party served
9 and named in the notice fails to answer the notice within the time
10 prescribed in this section, the court may render judgment by default
11 against the party for the full amount claimed by the director in the
12 notice, together with costs. If a notice is served upon an employer
13 and the property subject to it is wages, the employer may assert in the
14 answer all exemptions provided for by chapter 6.27 RCW to which the
15 wage earner is entitled.

16 (c) When there is probable cause to believe that there is property
17 within this state not otherwise exempt from process or execution in the
18 possession or control of any employer against whom a warrant issued
19 under subsection (1) of this section has been filed which remains
20 unsatisfied, any judge of the superior court or district court in the
21 county in which that property is located may, upon the request of the
22 sheriff or agent of the department authorized to collect wages owed,
23 issue a warrant directed to the officers commanding the search for and
24 seizure of the property described in the request for warrant. The
25 procedure for the issuance, execution, and return of the warrant
26 authorized by this section and for return of any property seized is set
27 forth in the criminal rules of the superior court and the district
28 court. This section does not require the application for or issuance
29 of any warrant not otherwise required by law, and does not allow for
30 the seizure of perishable agricultural commodities in their raw and
31 unprocessed state.

32 (d) The department may issue an order of execution, pursuant to a
33 filed warrant, under its official seal directed to the sheriff of the
34 county in which the warrant has been filed, commanding the sheriff to
35 levy upon and sell the real and/or personal property of the debtor
36 found within the county, or so much thereof as may be necessary, for
37 the payment of the amount of the warrant, plus the cost of executing
38 the warrant, and return the warrant to the department and pay to it the

1 money collected by virtue thereof within sixty days after the receipt
2 of the warrant. The sheriff shall immediately proceed upon the same in
3 all respects and with like effect as prescribed by law with respect to
4 execution or other process issued against rights or property upon
5 judgments of the superior court.

6 (e) The sheriff is entitled to fees as provided by law for services
7 in levying execution on a superior court judgment and the clerk is
8 entitled to a filing fee as provided by law, which are added to the
9 amount of the warrant.

10 (f) At the discretion of the department, an order of execution of
11 like terms, force, and effect may be issued and directed to any agent
12 of the department authorized to collect wages owed per this section,
13 and in the execution thereof the agent has all the powers conferred by
14 law upon sheriffs, but is not entitled to any fee or compensation in
15 excess of the actual expenses paid in the performance of such a duty,
16 which must be added to the amount of the warrant.

17 (g) The proceeds received from any sale must be credited upon the
18 amount due under the warrant and when the final amount due is received,
19 together with interest, penalties, fees, and costs, the judgment docket
20 must show the claim for unpaid wages to be satisfied and the clerk of
21 the court shall so note upon the docket. If the return on the warrant
22 shows that the same has not been satisfied in full, the amount of the
23 deficiency remains the same as a judgment against the debtor which may
24 be collected in the same manner as the original amount of the warrant.

25 (3) In addition to the procedure for collection of wages owed,
26 including interest, and civil penalties as set forth in this section,
27 the department may recover wages owed, including interest, and civil
28 penalties assessed under RCW 49.48.083 in a civil action brought in a
29 court of competent jurisdiction of the county where the violation is
30 alleged to have occurred.

31 (4) Whenever any employer quits business, sells out, exchanges, or
32 otherwise disposes of the employer's business or stock of goods, any
33 person who becomes a successor to the business becomes liable for the
34 full amount of any outstanding citation and notice of assessment or
35 penalty against the employer's business under this chapter if, at the
36 time of the conveyance of the business, the successor has: (a) Actual
37 knowledge of the fact and amount of the outstanding citation and notice
38 of assessment or (b) a prompt, reasonable, and effective means of

1 accessing and verifying the fact and amount of the outstanding citation
2 and notice of assessment from the department. If the citation and
3 notice of assessment or penalty is not paid in full by the employer
4 within ten days of the date of the sale, exchange, or disposal, the
5 successor is liable for the payment of the full amount of the citation
6 and notice of assessment or penalty, and payment thereof by the
7 successor must, to the extent thereof, be deemed a payment upon the
8 purchase price. If the payment is greater in amount than the purchase
9 price, the amount of the difference becomes a debt due the successor
10 from the employer.

11 (5) The department is authorized to match its outstanding warrants,
12 except those where a payment agreement is in good standing, against
13 deposit accounts held by financial institutions registered in
14 Washington. The department is further authorized to serve notice of
15 withhold and deliver to the institutions by electronic file transfer
16 and the institutions are authorized to respond, in aggregate, using the
17 same electronic file process. The institutions have thirty days to
18 respond to the electronic service. The department may not serve the
19 same institution more than once a month and the department must develop
20 a process to relieve specific institutions from this method of service
21 when it is burdensome. The department may adopt rules necessary to
22 implement this subsection.

23 (6) This section does not affect other collection remedies that are
24 otherwise provided by law.

25 NEW SECTION. Sec. 2. A new section is added to chapter 49.48 RCW
26 to read as follows:

27 (1) If the director of labor and industries or the director's
28 designee has reasonable cause to believe that an employer is about to
29 cease business, leave the state, or remove or dissipate assets out of
30 which wages, penalties, fees, or interest might be satisfied, and the
31 collection of any wages accrued will be jeopardized by delaying
32 collection, the director or the director's designee may make an
33 immediate assessment thereof and may proceed to enforce collection
34 immediately under the terms of RCW 49.48.086.

35 (2) If the amount of wages and interest assessed by the director or
36 the director's designee by citation and notice of assessment pursuant
37 to subsection (1) of this section is not paid within ten days after the

1 service or mailing of the citation and notice of assessment, the
2 director or the director's designee may collect the amount stated in
3 the assessment, including penalties, by the distraint, seizure, and
4 sale of the property, goods, chattels, and effects of the employer.
5 There shall be exempt from distraint and sale under this section such
6 goods and property as are exempt from execution under the laws of this
7 state.

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