

HOUSE BILL REPORT

HB 2673

As Reported by House Committee On:
Judiciary

Title: An act relating to judgment liens.

Brief Description: Concerning recoverable costs from the recording of certain judgment liens.

Sponsors: Representatives Sawyer and Shea.

Brief History:

Committee Activity:

Judiciary: 2/2/16, 2/4/16 [DP].

Brief Summary of Bill

- Provides that any fee for recording a judgment as a lien on the nonexempt value of a homestead property is a recoverable cost by the judgment creditor.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: Do pass. Signed by 13 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Rodne, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Goodman, Haler, Hansen, Kirby, Klippert, Kuderer, Muri, Orwall and Stokesbary.

Staff: Omeara Harrington (786-7136).

Background:

Upon entry, a judgment may become a lien on nonexempt real property owned or later acquired by the judgment debtor.

A homestead consists of real or personal property used as a residence. Generally, a homestead is exempt from attachment and execution or forced sale for the debts of the owner up to a certain amount. The homestead exemption is up to \$125,000 in the case of lands and up to \$15,000 in the case of personal property. A judgment against the owner of a homestead may be recorded as a lien on the value of the homestead property in excess of the homestead exemption.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

A lien on the nonexempt portion of homestead property commences at the time the judgment creditor records the judgment with the recording officer of the county where the property is located. County auditors and recorder's offices are required to charge specified statutory document recording fees and surcharges for recording documents.

Summary of Bill:

Any fee charged for recording a judgment lien against the nonexempt value of a homestead property is a recoverable cost by the judgment creditor.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is for collectors recording judgments against people who have had an opportunity to defend themselves, were not successful, and have had a lien imposed. Current law allows recovery for debts, and collection law allows creditors to pass on all costs of litigation. A document recording fee bill passed a few years ago for homeless housing. Because this is important, rather than asking for an exemption, the bill allows this cost to be passed to the debtor and collected with the judgment.

(Opposed) None.

Persons Testifying: Representative Sawyer, prime sponsor; and Chester Baldwin, Washington Collectors Association.

Persons Signed In To Testify But Not Testifying: None.