
HOUSE BILL 1514

State of Washington

66th Legislature

2019 Regular Session

By Representatives Gregerson, Hansen, Stonier, Davis, and Tharinger

1 AN ACT Relating to establishing wage liens; amending RCW
2 49.48.086; adding a new section to chapter 43.24 RCW; adding a new
3 chapter to Title 60 RCW; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** This act may be known and cited as the
6 Washington wage recovery act.

7 NEW SECTION. **Sec. 2.** The definitions in this section apply
8 throughout this chapter unless the context clearly requires
9 otherwise.

10 (1) "Department" means the department of labor and industries.

11 (2) "Director" means the director of labor and industries.

12 (3) "Employ" includes permit to work.

13 (4) "Employee" includes any individual currently or formerly
14 employed by an employer.

15 (5) "Employer" includes any individual, partnership, association,
16 corporation, business trust, or any person or group of persons acting
17 directly or indirectly in the interest of an employer in relation to
18 an employee.

19 (6) "Maintain" includes to maintain, clean, manage, improve,
20 protect, repair, monitor, or restore real property at the instance of

1 the owner or tenant or of any person acting by the owner's or
2 tenant's authority.

3 (7) "Wage claim" means a claim for any unpaid wages owed to the
4 claimant as an employee of an employer, as well as any other
5 compensation, interest, statutory damages, liquidated damages, or
6 statutory penalties that may be owed for violation of a state or
7 federal wage law, including but not limited to chapters 39.12, 49.12,
8 49.46, 49.48, and 49.52 RCW, and the fair labor standards act, 29
9 U.S.C. Sec. 201 et seq.

10 NEW SECTION. **Sec. 3.** (1)(a) A person has a wage lien for wage
11 claims on:

12 (i) Any property in the state of Washington that is owned or is
13 subsequently acquired by the person's employer;

14 (ii) Any property in the state of Washington that is owned or is
15 subsequently acquired by an officer, vice principal, or agent of the
16 employer who is personally liable for a wage claim under RCW
17 49.52.070; and

18 (iii) Any real property in the state of Washington that the
19 person has maintained, for all wage claims for maintenance of that
20 property.

21 (b) A person does not have a wage lien under this chapter on any
22 property that is or would be subject to a lien by that person under
23 chapter 60.04 RCW.

24 (2) A wage lien is not effective against:

25 (a) With respect to goods as defined in RCW 62A.9A-102, a buyer
26 in the ordinary course of business, as such term is defined in RCW
27 62A.1-201(b)(9); or

28 (b) Third persons who, prior to the filing of the wage lien
29 notice required under this chapter, acquired title in good faith, for
30 value and without actual notice of the wage lien, to property other
31 than goods.

32 (3) Chapter 62A.9A RCW of the uniform commercial code does not
33 apply to a wage lien on personal property under this chapter.

34 (4) A person, other than a consumer as defined in RCW 62A.1-201,
35 who controls or possesses amounts payable to the employer that are
36 not health-care-insurance receivables as defined in chapter 62A.9A
37 RCW, and that are properly encumbered by a wage lien upon an account
38 receivable, is not obligated to pay a lien claimant amounts to which
39 the wage lien has attached until that person receives written notice

1 of such lien, nor is the person liable to the lien claimant for any
2 amounts paid out prior to receipt of notice of the wage lien. The
3 notice required must state that the amount due or to become due has
4 been assigned by operation of this chapter and that payment is to be
5 made to the lien claimant, and it must contain the information
6 described in section 4 of this act. After receipt of the notice, the
7 person responsible for payment of such amounts may discharge its
8 obligation by paying the lien claimant and may not discharge the
9 obligation by paying the employer. If requested by the person
10 responsible for payment of such amounts, the lien claimant must,
11 within a reasonable time, furnish reasonable proof that the wage lien
12 continues to exist, and unless such proof is furnished, that person
13 has no obligation to pay the lien claimant and may discharge its
14 obligation by paying the employer. A written, signed statement from
15 the employee that the wages that form the basis for the wage lien
16 have not been paid in the time after filing the wage lien constitutes
17 "reasonable proof" for this purpose. Failure to furnish any notice as
18 provided in this section does not affect the status of the wage lien
19 established under this chapter in regard to the relationship with
20 other creditors.

21 (5) This chapter does not affect the ownership or title in
22 personal or real property of the state or other public entity or
23 public ownership, nor does any lien attach to the fee simple title of
24 the state or other public ownership.

25 NEW SECTION. **Sec. 4.** (1) To establish a wage lien on real
26 property, the lien claimant must:

27 (a) File for recording a notice of claim of wage lien in the
28 county where the property is located that includes:

29 (i) The name, telephone number, and address of the lien claimant
30 and, if the wage lien has been assigned, the name of the person who
31 assigned the lien;

32 (ii) The name of the employer;

33 (iii) The street address, legal description, or other description
34 reasonably calculated to identify, for a person familiar with the
35 area, the location of the real property to be charged with the wage
36 lien;

37 (iv) The amount for which the wage lien is claimed;

38 (v) The signature of the lien claimant or of a person authorized
39 to act on his or her behalf; and

1 (vi) An acknowledgment and certification as set forth in
2 subsection (4) of this section;

3 (b) Pay a filing fee established by the county auditor; and

4 (c) Mail a copy of the notice filed under this subsection (1) to
5 the employer's registered agent, the employer's registered business
6 address, or the address where the employer resides, and to the
7 property owner if the employer is not the property owner, by
8 certified mail with return receipt requested.

9 (2) To establish a wage lien on personal property, other than a
10 vehicle or vessel, the lien claimant must:

11 (a) File for recording a notice of claim of wage lien with the
12 department of licensing that includes:

13 (i) The name, telephone number, and address of the lien claimant
14 and, if the wage lien has been assigned, the name of the person who
15 assigned the lien;

16 (ii) The name of the employer;

17 (iii) A description of the personal property subject to the wage
18 lien or a statement that the wage lien covers all personal property;

19 (iv) The principal amount for which the wage lien is claimed;

20 (v) The signature of the lien claimant or of a person authorized
21 to act on his or her behalf; and

22 (vi) An acknowledgment and certification as set forth in
23 subsection (4) of this section;

24 (b) Pay a filing fee established by the department of licensing;
25 and

26 (c) Mail a copy of the notice filed under this subsection (2) to
27 the employer's registered agent, the employer's registered business
28 address, or the address where the employer resides, by certified mail
29 with return receipt requested.

30 (3) To establish a wage lien on a vehicle or vessel, the lien
31 claimant must:

32 (a) File for recording a notice of claim of wage lien with the
33 office of the auditor of the county in which the vessel or vehicle is
34 kept that includes:

35 (i) The name, telephone number, and address of the lien claimant
36 and, if the wage lien has been assigned, the name of the person who
37 assigned the lien;

38 (ii) The name of the employer;

39 (iii) A description of the vehicle or vessel subject to the wage
40 lien;

- 1 (iv) The principal amount for which the wage lien is claimed;
- 2 (v) The signature of the lien claimant or of a person authorized
- 3 to act on his or her behalf; and
- 4 (vi) An acknowledgment and certification as set forth in
- 5 subsection (4) of this section;
- 6 (b) Pay a filing fee established by the county auditor; and
- 7 (c) Mail a copy of the notice filed under subsection (2) of this
- 8 section to the employer's registered agent, the employer's registered
- 9 business address, or the address where the employer resides, by
- 10 certified mail with return receipt requested.
- 11 (4) A notice of claim of wage lien, acknowledgment, and
- 12 certificate that is substantially in the following form is sufficient
- 13 to satisfy subsections (1)(a) and (3)(a) of this section:

14 CLAIM OF WAGE LIEN

15, claimant, vs., name of person indebted to
16 claimant:

17 Notice is hereby given that the claimant named below asserts a
18 wage lien pursuant to chapter 60.--- RCW (the new chapter created in
19 section 15 of this act). In support of this wage lien the following
20 information is submitted:

21 1. NAME OF LIEN CLAIMANT:..

22 TELEPHONE NUMBER:..

23 ADDRESS:..

24 2. NAME OF EMPLOYER:..

25 3. DESCRIPTION OF THE REAL PROPERTY OR PERSONAL PROPERTY AGAINST
26 WHICH A WAGE LIEN IS CLAIMED (street address, legal description, or
27 other information that will reasonably describe the property, or
28 statement that the wage lien covers all personal property):.
29
30
31
32

33 4. PRINCIPAL AMOUNT FOR WHICH THE WAGE LIEN IS CLAIMED IS:

1
2 5. IF THE CLAIMANT IS THE ASSIGNEE OF THIS CLAIM SO STATE HERE
3 AND STATE THE NAME OF THE ASSIGNOR:
4

5 6. IF THE PERSON SIGNING THIS CLAIM OF WAGE LIEN IS NOT THE
6 CLAIMANT, BUT IS AUTHORIZED TO ACT ON THE CLAIMANT'S BEHALF, STATE
7 THE PERSON'S NAME AND REPRESENTATIVE CAPACITY:

8 NAME:

9 REPRESENTATIVE CAPACITY (e.g., officer or employee of claimant;
10 attorney or agent; representative of lien filing service;
11 administrator, representative, or agent of trustees of employee
12 benefit plan):
13

14 ACKNOWLEDGMENT

15 FOR AN ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY:

16 STATE OF WASHINGTON, COUNTY OF

17, ss.

18, being sworn, says: I,(name of
19 person)., am the claimant. I have read the foregoing claim of
20 wage lien, believe the claim of wage lien to be true and correct
21 under penalty of perjury, and believe the claim of wage lien is not
22 frivolous, is made with reasonable cause, and is not clearly
23 excessive. The foregoing claim of wage lien is my free and voluntary
24 act for the uses and purposes stated therein.

25Dated:

26

27

28

29 (Signature)

1 FOR AN ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY:

2 STATE OF WASHINGTON, COUNTY OF

3, ss.

4, being sworn, says: I, . . .(name of person). . ., am
5 authorized to act on behalf of the claimant. I have read the
6 foregoing claim of wage lien, believe the claim of wage lien to be
7 true and correct under penalty of perjury, and believe the claim of
8 wage lien is not frivolous, is made with reasonable cause, and is not
9 clearly excessive. The foregoing claim of wage lien is the free and
10 voluntary act of the claimant for the uses and purposes stated
11 therein.

12Dated:.

13

14

15

16 (Signature)

17 CERTIFICATE

18 FOR A CERTIFICATE OF ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY:

19 I certify that I know or have satisfactory evidence that . . .
20 (name of person) . . . is the person who appeared before me, and said
21 person acknowledged that he/she signed this instrument and
22 acknowledged it to be his/her free and voluntary act for the uses and
23 purposes mentioned in the instrument.

24Dated:.

25

26

27

28 (Signature)

29 (Seal or stamp)

1 Title.
2 My appointment.
3 Expires.

4 FOR A CERTIFICATE OF ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY:

5 I certify that I know or have satisfactory evidence that . . .
6 (name of person) . . . is the person who appeared before me, and said
7 person acknowledged that he/she signed this instrument, on oath
8 stated that he/she was authorized to execute the instrument and
9 acknowledged it as the . . . (type of authority, e.g., officer or
10 employee, etc.) . . . of . . . (name of party on behalf of whom
11 instrument was executed) . . . to be the free and voluntary act of
12 such party for the uses and purposes mentioned in the instrument.

13 Dated:

14

15

16 (Signature)

17 (Seal or Stamp)

18 Title.

19 My appointment.

20 Expires.

21 (4) (a) For a notice of claim of wage lien on real property filed
22 under this section, the county auditor shall record the notice in the
23 same manner as deeds and other instruments of title are recorded
24 under chapter 65.08 RCW. Notices of claim of wage lien for registered
25 land need not be recorded in the Torrens register.

26 (b) For a notice of claim of wage lien on personal property other
27 than a vehicle or vessel filed under this section, the department of
28 licensing shall record the notice. For a notice of claim of wage lien
29 on a vehicle or vessel, the office of the auditor of the county where
30 the vehicle or vessel is kept shall record the notice.

1 (5) The notice of claim of wage lien may be filed at any time
2 prior to the expiration of the statute of limitations for an action
3 to recover the wages that are the subject of the wage lien.

4 (6) Mistakes or errors in the claimed amount owed do not
5 invalidate the wage lien unless made with the intent to defraud.

6 (7) A wage lien under this chapter continues in all identifiable
7 proceeds of the property subject to the wage lien.

8 NEW SECTION. **Sec. 5.** Any wage lien or right of wage lien
9 created by this chapter and the right of action to recover the wage
10 lien is assignable so as to vest in the assignee all rights and
11 remedies of the assignor, subject to all defenses thereto that might
12 be made.

13 NEW SECTION. **Sec. 6.** (1) A wage lien may be judicially
14 foreclosed by an action in:

15 (a) The superior court in the county in which the real property
16 is located;

17 (b) The district court in the county in which the personal
18 property is located if the value of the claim does not exceed the
19 jurisdictional limit of the district court provided in RCW 3.66.020;
20 or

21 (c) The superior court in the county in which the personal
22 property is located if the value of the claim exceeds the
23 jurisdictional limit of the district court provided in RCW 3.66.020.

24 (2) Except as provided in subsection (3) of this section, if the
25 claimant has instituted an action in a court of this state for the
26 wage claim that is the subject of the wage lien, that action shall be
27 deemed an action to foreclose on any property subject to the lien. An
28 action to foreclose the wage lien must be filed within one year of
29 the date the wage lien was recorded.

30 (3) (a) If the claimant receives a judgment on a wage claim from a
31 federal, state, or municipal court, the judgment establishes the
32 amount owed for the purposes of foreclosure under this chapter.

33 (b) If the claimant receives a judgment on a wage claim from a
34 federal, state, or municipal court, that does not have jurisdiction
35 over the claimant's wage lien, the action to foreclose the wage lien
36 must be filed within one year of the date of that court's judgment.

37 (4) (a) A wage lien may be administratively foreclosed by the
38 department using the department's collection procedures under RCW

1 49.48.086 when the claimant has pursued a wage claim in an
2 administrative proceeding and a final and binding citation and notice
3 of assessment has been issued.

4 (b) The citation and notice of assessment issued by the
5 department establishes the amount owed for the purpose of foreclosure
6 under this subsection.

7 (5) A foreclosure action may be brought by the employee
8 individually, the department, the United States department of labor,
9 the office of the attorney general, or a representative of the
10 employee, including a collective bargaining representative or class
11 representative. Multiple wage claims against the same employer may be
12 joined in a single proceeding, but the court may order separate
13 trials or hearings.

14 (6) In the judgment resulting from an action to foreclose on the
15 wage lien, the court may order the sale at sheriff's auction or the
16 transfer to the lien claimant of title or possession of any property
17 subject to the wage lien. Whether or not the court makes such an
18 order as part of the judgment, a writ of sale may be issued for any
19 property subject to the wage lien for ten years after a judgment for
20 a wage claim is issued. A wage lien based on an underlying judgment
21 continues in force for an additional ten-year period if the period of
22 execution for the underlying judgment is extended under RCW 6.17.020.

23 (7) In an action to foreclose on a wage lien on a vehicle or
24 vessel, the lien claimant must comply with the requirements of
25 subsection (1) of this section and any other requirements of the
26 department of licensing regarding transferring title and taking
27 ownership of the vehicle or vessel.

28 (8) A lien claimant who prevails in a foreclosure action is
29 entitled to costs and reasonable attorneys' fees.

30 NEW SECTION. **Sec. 7.** (1) A wage lien is extinguished:

31 (a) If an action for the underlying wage claim is not brought
32 within one year of the date the wage lien was recorded;

33 (b) If the action for the underlying wage claim is dismissed with
34 prejudice and no appeal is filed within the applicable appeals
35 period. If an appeal is filed, the wage lien continues in force until
36 final judgment is rendered; or

37 (c) Upon payment and acceptance of payment for the employee's
38 wage claim.

1 (2)(a) When the wage lien has been extinguished, the lien
2 claimant shall, within fifteen days, file a release of the wage lien
3 at the place where the wage lien was recorded and pay a filing fee
4 established by the agency where the notice is filed. If a lien
5 claimant fails to file a release of the wage lien, upon demand and
6 fifteen days' notice by the employer or any affected party, mailed to
7 the lien claimant's address as indicated on the notice of the wage
8 lien by certified mail with return receipt requested, the employer or
9 affected party may petition the court for an order releasing the wage
10 lien. If the lien claimant acted unreasonably and in bad faith in
11 refusing to file a release of the wage lien, the employer or affected
12 party shall be entitled to recover its attorneys' fees and costs
13 incurred in the action, and the court in its discretion may also
14 issue a fine not to exceed one thousand dollars.

15 (b) The release must include:

16 (i) the name, telephone number, address, and relationship to the
17 wage lien of the person filing the notice;

18 (ii) The name, telephone number, and address of the lien
19 claimant;

20 (iii) The name of the employer;

21 (iv) A description of the property subject to the wage lien;

22 (v) The amount for which the wage lien was claimed;

23 (vi) The signature of the lien claimant, the lien claimant's
24 assignor, or a person authorized to act on the lien claimant's
25 behalf; and

26 (vii) A certified acknowledgment as set forth in subsection (4)
27 of this section.

28 (3) The person filing the notice must mail a copy of the notice
29 to the person against whom the lien claim was made by first-class
30 mail within ten days of filing the notice.

31 (4) A release of wage lien substantially in the following form is
32 sufficient:

33 NOTICE OF RELEASE OF WAGE LIEN

34, claimant, vs., name of person indebted to
35 claimant:

36 Notice is hereby given that the wage lien described below is
37 released.

1 1. NAME OF PERSON FILING NOTICE OF RELEASE:
2 TELEPHONE NUMBER:
3 ADDRESS:
4 RELATIONSHIP TO WAGE LIEN (lien claimant, representative of lien
5 claimant, assignee of lien claimant):
6 IF THE PERSON SIGNING THIS NOTICE IS NOT THE CLAIMANT, BUT IS
7 AUTHORIZED TO ACT ON BEHALF OF THE CLAIMANT, STATE THE PERSON'S NAME
8 AND REPRESENTATIVE CAPACITY (e.g., officer or employee of claimant;
9 attorney or agent; representative of lien filing service;
10 administrator, representative, or agent of trustees of employee
11 benefit plan):
12
13 2. NAME OF LIEN CLAIMANT:
14 TELEPHONE NUMBER:
15 ADDRESS:
16 3. NAME OF EMPLOYER:
17 4. DESCRIPTION OF THE REAL PROPERTY OR PERSONAL PROPERTY AGAINST
18 WHICH A WAGE LIEN IS CLAIMED (street address, legal description, or
19 other information that will reasonably describe the property, or
20 statement that the wage lien covers all personal property):
21
22
23
24
25 5. AMOUNT OF WAGE LIEN CLAIM:

26 ACKNOWLEDGMENT
27 FOR AN ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY:
28 STATE OF WASHINGTON, COUNTY OF
29, ss.

1, being sworn, says: I, . . .(name of person). . ., am
2 the (claimant/assignee of the claimant). I have read the foregoing
3 release of wage lien and believe the notice to be true and correct
4 under penalty of perjury.

5Dated:.
6
7
8 (Signature)

9 FOR AN ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY:

10 STATE OF WASHINGTON, COUNTY OF

11, ss.

12, being sworn, says: I, . . .(name of person). . ., am
13 authorized to act on behalf of (claimant/assignee of the claimant). I
14 have read the foregoing release of wage lien and believe the notice
15 to be true and correct under penalty of perjury.

16Dated:.
17
18
19 (Signature)

20 CERTIFICATE

21 FOR A CERTIFICATE OF ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY:

22 I certify that I know or have satisfactory evidence that . . .
23 (name of person) . . . is the person who appeared before me, and said
24 person acknowledged that he/she signed this instrument and
25 acknowledged it to be his/her free and voluntary act for the uses and
26 purposes mentioned in the instrument.

27Dated:.
28

1

2 (Signature)

3 (Seal or stamp)

4 Title.

5 My appointment.

6 Expires.

7 FOR A CERTIFICATE OF ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY:

8 I certify that I know or have satisfactory evidence that . . .
9 (name of person) . . . is the person who appeared before me, and said
10 person acknowledged that he/she signed this instrument, on oath
11 stated that he/she was authorized to execute the instrument and
12 acknowledged it as the . . . (type of authority, e.g., officer or
13 employee, etc.) . . . of . . . (name of party on behalf of whom
14 instrument was executed) . . . to be the free and voluntary act of
15 such party for the uses and purposes mentioned in the instrument.

16 Dated:.

17

18

19 (Signature)

20 (Seal or stamp)

21 Title.

22 My appointment.

23 Expires.

24 NEW SECTION. **Sec. 8.** (1) Except as provided in subsections (2)
25 and (3) of this section, a wage lien recorded under this chapter has
26 priority over all other debts, judgments, decrees, liens, or security
27 interests against the property subject to the wage lien, regardless
28 as to whether these debts, judgments, decrees, liens, or security

1 interests originated before or after the wage lien, and regardless of
2 whether these debts, judgments, decrees, liens, or security interests
3 were perfected prior to the wage lien. A wage lien recorded under
4 this chapter has priority over a lien or security interest of a
5 financial institution only up to four percent of the financial
6 institution's security interest in the property that is encumbered by
7 the wage lien.

8 (2) A statutory lien for wages owed, including but not limited to
9 liens under chapters 60.04, 60.11, 60.16, 60.24, 60.28, 60.34, and
10 60.76 RCW, ranks according to priority in time of filing.

11 (3)(a) A wage lien recorded under this chapter does not have
12 priority over a lien for taxes that the department of revenue is
13 authorized or required to collect and that originates before a lien
14 recorded under this chapter.

15 (b) A wage lien recorded under this chapter does not have
16 priority over liens or income withholding for child support
17 obligations.

18 (4) A wage lien is effective against the estate of the employer.

19 NEW SECTION. **Sec. 9.** A contract between an employer and
20 employee may not waive or require an employee to waive the right to a
21 wage lien under this chapter. A provision of a contract made in
22 violation of this section is void as against the public policy of
23 this state.

24 NEW SECTION. **Sec. 10.** The claim of wage lien, when filed as
25 required by this chapter, constitutes notice to the spouse or the
26 domestic partner of the person who appears on record to be the owner
27 of the property sought to be charged with the wage lien, and subjects
28 all the community interest of both spouses or both domestic partners
29 to the wage lien.

30 NEW SECTION. **Sec. 11.** This chapter is to be liberally construed
31 to provide security for all persons intended to be protected by its
32 provisions.

33 **Sec. 12.** RCW 49.48.086 and 2014 c 210 s 1 are each amended to
34 read as follows:

35 (1) After a final order is issued under RCW 49.48.084, if an
36 employer defaults in the payment of: (a) Any wages determined by the

1 department to be owed to an employee, including interest; or (b) any
2 civil penalty ordered by the department under RCW 49.48.083, the
3 director may file with the clerk of any county within the state a
4 warrant in the amount of the payment plus any filing fees. The clerk
5 of the county in which the warrant is filed shall immediately
6 designate a superior court cause number for the warrant, and the
7 clerk shall cause to be entered in the judgment docket under the
8 superior court cause number assigned to the warrant, the name of the
9 employer mentioned in the warrant, the amount of payment due on it
10 plus any filing fees, and the date when the warrant was filed. The
11 aggregate amount of the warrant as docketed becomes a lien upon the
12 title to, and interest in, all real and personal property of the
13 employer against whom the warrant is issued, the same as a judgment
14 in a civil case docketed in the office of the clerk. The sheriff
15 shall proceed upon the warrant in all respects and with like effect
16 as prescribed by law with respect to execution or other process
17 issued against rights or property upon judgment in a court of
18 competent jurisdiction. The warrant so docketed is sufficient to
19 support the issuance of writs of garnishment in favor of the state in
20 a manner provided by law in case of judgment, wholly or partially
21 unsatisfied. The clerk of the court is entitled to a filing fee which
22 will be added to the amount of the warrant. A copy of the warrant
23 shall be mailed to the employer within three days of filing with the
24 clerk.

25 (2) (a) The director may issue to any person, firm, corporation,
26 other entity, municipal corporation, political subdivision of the
27 state, a public corporation, or any agency of the state, a notice and
28 order to withhold and deliver property of any kind when he or she has
29 reason to believe that there is in the possession of the person,
30 firm, corporation, other entity, municipal corporation, political
31 subdivision of the state, public corporation, or agency of the state,
32 property that is or will become due, owing, or belonging to an
33 employer upon whom a notice of assessment has been served by the
34 department for payments or civil penalties due to the department. The
35 effect of a notice and order is continuous from the date the notice
36 and order is first made until the liability out of which the notice
37 and order arose is satisfied or becomes unenforceable because of
38 lapse of time. The department shall release the notice and order when
39 the liability out of which the notice and order arose is satisfied or
40 becomes unenforceable by reason of lapse of time and shall notify the

1 person against whom the notice and order was made that the notice and
2 order has been released.

3 (b) The notice and order to withhold and deliver must be served
4 by the sheriff of the county or by the sheriff's deputy, by certified
5 mail, return receipt requested, or by the director. A person, firm,
6 corporation, other entity, municipal corporation, political
7 subdivision of the state, public corporation, or agency of the state
8 upon whom service has been made shall answer the notice within twenty
9 days exclusive of the day of service, under oath and in writing, and
10 shall make true answers to the matters inquired of in the notice and
11 order. Upon service of the notice and order, if the party served
12 possesses any property that may be subject to the claim of the
13 department, the party shall promptly deliver the property to the
14 director. The director shall hold the property in trust for
15 application on the employer's indebtedness to the department, or for
16 return without interest, in accordance with a final determination of
17 a petition for review. In the alternative, the party shall furnish a
18 good and sufficient surety bond satisfactory to the director
19 conditioned upon final determination of liability. If a party served
20 and named in the notice fails to answer the notice within the time
21 prescribed in this section, the court may render judgment by default
22 against the party for the full amount claimed by the director in the
23 notice, together with costs. If a notice is served upon an employer
24 and the property subject to it is wages, the employer may assert in
25 the answer all exemptions provided for by chapter 6.27 RCW to which
26 the wage earner is entitled.

27 (c) As an alternative to the methods of service described in this
28 section, the department may electronically serve a financial
29 institution with a notice and order to withhold and deliver by
30 providing a list of its outstanding warrants, except those for which
31 a payment agreement is in good standing, to the department of
32 revenue. The department of revenue may include the warrants provided
33 by the department in a notice and order to withhold and deliver
34 served under RCW 82.32.235(3). A financial institution that is served
35 with a notice and order to withhold and deliver under this subsection
36 (2)(c) must answer the notice within the time period applicable to
37 service under RCW 82.32.235(3). The department and the department of
38 revenue may adopt rules to implement this subsection (2)(c).

39 (3)(a) In addition to the procedure for collection of wages owed,
40 including interest, and civil penalties as set forth in this section,

1 the department may recover wages owed, including interest, and civil
2 penalties assessed under RCW 49.48.083 in a civil action brought in a
3 court of competent jurisdiction of the county where the violation is
4 alleged to have occurred.

5 (b) The department may use the procedures under this section to
6 foreclose wage liens established under chapter 60.--- RCW (the new
7 chapter created in section 15 of this act). When the department is
8 foreclosing on a wage lien, the date the wage lien was originally
9 filed shall be the date by which priority is determined, regardless
10 of the date the warrant is filed under this section.

11 (4) Whenever any employer quits business, sells out, exchanges,
12 or otherwise disposes of the employer's business or stock of goods,
13 any person who becomes a successor to the business becomes liable for
14 the full amount of any outstanding citation and notice of assessment
15 or penalty against the employer's business under this chapter if, at
16 the time of the conveyance of the business, the successor has: (a)
17 Actual knowledge of the fact and amount of the outstanding citation
18 and notice of assessment or (b) a prompt, reasonable, and effective
19 means of accessing and verifying the fact and amount of the
20 outstanding citation and notice of assessment from the department. If
21 the citation and notice of assessment or penalty is not paid in full
22 by the employer within ten days of the date of the sale, exchange, or
23 disposal, the successor is liable for the payment of the full amount
24 of the citation and notice of assessment or penalty, and payment
25 thereof by the successor must, to the extent thereof, be deemed a
26 payment upon the purchase price. If the payment is greater in amount
27 than the purchase price, the amount of the difference becomes a debt
28 due the successor from the employer.

29 (5) This section does not affect other collection remedies that
30 are otherwise provided by law.

31 NEW SECTION. Sec. 13. A new section is added to chapter 43.24
32 RCW to read as follows:

33 For the purposes of implementing the notice and filing provisions
34 under sections 4(2)(a) and 7 of this act that are applicable to the
35 department of licensing, the department of licensing may, by rule,
36 create wage lien forms specific to the department of licensing, so
37 long as the forms include the information described in those
38 sections.

1 NEW SECTION. **Sec. 14.** This act takes effect January 1, 2020.

2 NEW SECTION. **Sec. 15.** Sections 1 through 11 of this act
3 constitute a new chapter in Title 60 RCW.

--- **END** ---