

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure
Vote: 5 - 0 - 0
Yeas: Bonamici, Boquist, Dingfelder, Whitsett, Prozanski
Nays: 0
Exc.: 0
Prepared By: Bill Taylor, Counsel
Meeting Dates: 5/20

WHAT THE MEASURE DOES: Clarifies that interest earned on a surety bond filed with a county goes to the person who filed the bond. Creates a process for the county and court to follow when releasing a lien and returning a surety bond.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: A contractor may place a lien on property to protect against nonpayment. In the event of a dispute between contractor and owner, the owner may remove the lien by depositing a surety bond with the county recorder or treasurer's office. The original bill sought to place the obligation of holding the bond with an escrow company, instead of county or local government. The amendment deletes that provision and instead focuses on the way in which the county or local government may invest the money it holds for the owner and the process for releasing funds at the close of the dispute.

If a court allows the lien, the court shall include as part of the court's judgment an order specifying the amount of money the treasurer must release to the creditor and the remaining balance that the treasurer must release to the owner. Any interest accrued while the money was being held by the treasurer shall be turned over to the owner at the conclusion of the dispute, so long as there is no outstanding balance owed to the creditor.