

RCW 60.90.140 Surety bond. (1) Any owner of property subject to a recorded claim of lien under this chapter, or lender or another lien claimant, who disputes the correctness or validity of the claim of lien, may either before or after the commencement of an action on the wage claim underlying the lien, furnish a bond issued by a surety company authorized to issue surety bonds in the state. The surety company must be listed in the latest federal department of the treasury list of surety companies acceptable on federal bonds, published in the federal register, as authorized to issue bonds on United States government projects with an underwriting limitation, including applicable reinsurance, equal to or greater than the amount of the bond to be recorded.

(2) (a) The bond shall contain a description of the claim of lien and property involved, and must be in an amount equal to the greater of \$5,000 or two times the amount of the lien claimed if the lien claimed is \$10,000 or less, and in an amount equal to or greater than one and one-half times the amount of the lien if the lien claimed is in excess of \$10,000.

(b) If the bond relates to a claim of lien affecting more than one parcel of real property and the claim of lien is segregated to each parcel, the bond may be segregated the same as in the claim of lien.

(c) A separate bond shall be required for each claim of lien made by separate claimants. However, a single bond may be used to guarantee payment of amounts claimed by more than one claim of lien by a single claimant so long as the amount of the bond meets the requirements of this section as applied to the aggregate sum of all claims by such claimant.

(d) The condition of the bond shall be to guarantee payment of any judgment or binding administrative assessment upon the lien in favor of the lien claimant entered in any action to recover the amount claimed in a claim of lien, or on the claim asserted in the claim of lien.

(3) For a lien on real property, the bond must be recorded in the office of the county recorder or auditor in the county where the claim of lien was recorded. Recording a bond that meets the requirements of this section releases the real property described in the notice of claim of lien from the lien and any action brought to recover the amount claimed.

(4) (a) For a lien on personal property, within five days of furnishing a bond, the person furnishing the bond shall send notice to the lien claimant, by certified mail return receipt requested, notifying the lien claimant that a bond meeting the requirements of this section has been furnished. The notification must include sufficient documentation or other evidence showing that a bond meeting the requirements of this section has been furnished.

(b) Within 15 days of receiving notice that a bond has been purchased, the lien claimant shall release the lien pursuant to RCW 60.90.090. If a lien claimant fails to release the wage lien as required, upon demand and 15 days' notice by the employer or any affected party, mailed to the lien claimant's address as indicated on the notice of the wage lien by certified mail with return receipt requested, the employer or affected party may petition the court in which foreclosure is authorized under RCW 60.90.070, for an order releasing the wage lien. If the lien claimant acted unreasonably and in bad faith in refusing to file a release of the wage lien, the employer or affected party shall be entitled to recover its attorneys'

fees and costs incurred in the action, and the court in its discretion may also issue a fine not to exceed \$1,000.

(5) (a) Unless otherwise prohibited by law, if no action is commenced to recover on a lien within the time specified in RCW 60.90.090, the surety shall be discharged from liability under the bond.

(b) If an action to enforce the lien is timely commenced, then on payment of any judgment or administrative assessment entered in the action or on payment of the full amount of the bond to the holder of the judgment or administrative assessment, whichever is less, the surety shall be discharged from liability under the bond.

(6) Nothing in this section shall in any way prohibit or limit the use of other methods, devised by the affected parties to secure the obligation underlying a claim of lien and to obtain a release of real property from a claim of lien. [2021 c 102 s 15.]