
ENGROSSED SUBSTITUTE SENATE BILL 5456

State of Washington

65th Legislature

2017 Regular Session

By Senate Financial Institutions & Insurance (originally sponsored by Senators Braun and Bailey)

READ FIRST TIME 02/16/17.

1 AN ACT Relating to unpaid accounts; amending RCW 4.16.040 and
2 19.52.010; and creating new sections.

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

4 **Sec. 1.** RCW 4.16.040 and 2012 c 185 s 3 are each amended to read
5 as follows:

6 The following actions shall be commenced within six years:

7 (1) An action upon a contract in writing, or liability express or
8 implied arising out of a written agreement, except as provided for in
9 RCW 64.04.007(2).

10 (2) An action upon an account receivable. For purposes of this
11 section, an account receivable is any obligation for payment incurred
12 in the ordinary course of the claimant's business or profession,
13 whether arising from one or more transactions (~~and~~), whether or not
14 earned by performance, whether or not reduced to oral or written
15 contract, and whether or not disputed. "Account receivable" includes,
16 but is not limited to, obligations for medical or other professional
17 services, excluding obligations incurred through medical assistance
18 programs administered by, and sought to be recovered by, the
19 department of social and health services or the health care
20 authority, and damage to real or personal property pursuant to a
21 residential or commercial lease agreement.

1 (3) An action for the rents and profits or for the use and
2 occupation of real estate.

3 **Sec. 2.** RCW 19.52.010 and 2011 c 336 s 542 are each amended to
4 read as follows:

5 (1) Every loan or forbearance of money, goods, or thing in action
6 shall bear interest at the rate of twelve percent per annum where no
7 different rate is agreed to in writing between the parties: PROVIDED,
8 That with regard to any transaction heretofore or hereafter entered
9 into subject to this section, if an agreement in writing between the
10 parties evidencing such transaction provides for the payment of money
11 at the end of an agreed period of time or in installments over an
12 agreed period of time, then such agreement shall constitute a writing
13 for purposes of this section and satisfy the requirements thereof.
14 The discounting of commercial paper, where the borrower makes himself
15 or herself liable as maker, guarantor, or indorser, shall be
16 considered as a loan for the purposes of this chapter.

17 (2) Where a forbearance concerns an account receivable, or goods
18 or services provided that are not accounts receivable, the
19 obligations shall be deemed liquidated; and in the absence of an
20 agreement between the parties setting forth a date on which the
21 moneys become due, interest begins to accrue: (a) On an account
22 receivable, from the date of the last charge or transaction therein;
23 (b) on goods or services provided that are not accounts receivable,
24 on the payment due date specified in any written invoice, bill,
25 account statement, or other form of writing seeking payment; or (c)
26 on obligations for medical services, when the debt is transferred to
27 a collection agency or one hundred twenty days from the date the
28 medical service was provided by the medical provider or facility,
29 whichever occurs later, provided that no interest may accrue or be
30 charged on any portion of the obligation for medical services that is
31 subsequently covered by charity care.

32 (3) For purposes of this section, the term "account receivable"
33 has the same meaning as in RCW 4.16.040(2).

34 (4) A lease shall not be considered a loan or forbearance for the
35 purposes of this chapter if:

36 (a) It constitutes a "consumer lease" as defined in RCW
37 63.10.020;

38 (b) It constitutes a lease-purchase agreement under chapter 63.19
39 RCW; or

1 (c) It would constitute such "consumer lease" but for the fact
2 that:

3 (i) The lessee was not a natural person;

4 (ii) The lease was not primarily for personal, family, or
5 household purposes; or

6 (iii) The total contractual obligation exceeded twenty-five
7 thousand dollars.

8 NEW SECTION. **Sec. 3.** This act applies to all accounts
9 receivable and goods or services provided that are not accounts
10 receivable, whether in existence before or after the effective date
11 of this section.

12 NEW SECTION. **Sec. 4.** If any part of this act is found to be in
13 conflict with federal requirements that are a prescribed condition to
14 the allocation of federal funds to the state, the conflicting part of
15 this act is inoperative solely to the extent of the conflict and with
16 respect to the agencies directly affected, and this finding does not
17 affect the operation of the remainder of this act in its application
18 to the agencies concerned. Rules adopted under this act must meet
19 federal requirements that are a necessary condition to the receipt of
20 federal funds by the state.

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