



WASHINGTON STATE BAR ASSOCIATION

## Real Property, Probate and Trust Section

February 1, 2017

Representative Laurie Jinkins  
110 Legislative Building  
Olympia, WA 98504-0600

RE: HB 1145/SB 5456 – AN ACT Relating to unpaid accounts; amending RCW 4.16.040 and 19.52.010; and creating a new section.

Dear Representative Jinkins:

We are writing this letter to express concern with respect to HB 1145/SB 5456. The bills attempt to amend RCW 4.16.040 to address the six-year statute of limitations applicable to "accounts receivable." Specifically, the Bill seeks to define an account receivable to include receivables arising from the provision of medical or other professional services and "damage to real or personal property." It is unclear what relationship, if any, damage to real or personal property has to "accounts receivable."

First, we are concerned with the reference to "damage to real or personal property" within the proposed definition of accounts receivable. In addition to the reference being out of place, it is likely to conflict with other statutes establishing the statute of limitations for certain specific causes of action which may also involve damage to real or personal property (e.g., trespass or conversion).

The Bill would also amend Washington's usury statute (RCW 19.52.010) to establish the point in time from which pre-judgment interest would begin running on "accounts receivable" and "goods or services provided that are not accounts receivable." This portion of the Bill has no reference to and no bearing on damage to real or personal property except that it references the term "accounts receivable" which is defined in the bill to include damage to real and personal property. At best, this portion of the bill is confusing and creates ambiguities.

Finally, the bills likely conflict with provisions of UCC Article 2, governing the sale of goods in Washington. If these bills are passed, the reference to "damage to real or personal property" should be eliminated.

Please call on me if I can provide any additional information or assistance to you as you seek to analyze this proposed legislation.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Annie Eitzsimmons", written over a horizontal line.

Annie Eitzsimmons  
Director, Real Property Council  
WSBA Real Property Probate and Trust Section