
SENATE BILL 6120

State of Washington

52nd Legislature

1992 Regular Session

By Senators A. Smith and von Reichbauer

Read first time 01/16/92. Referred to Committee on Financial
Institutions & Insurance.

1 AN ACT Relating to the relationship between a sales representative
2 and the representative's principal; adding new sections to chapter
3 49.48 RCW; and prescribing penalties.

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

5 NEW SECTION. **Sec. 1.** Unless the context clearly requires
6 otherwise, the definitions in this section apply throughout sections 2
7 through 6 of this act.

8 (1) "Commission" means compensation paid a sales representative by
9 a principal in an amount based on a percentage of the dollar amount of
10 certain orders for or sales of the principal's product.

11 (2) "Principal" means a person, whether or not the person has a
12 permanent or fixed place of business in this state, who:

13 (a) Manufactures, produces, imports, or distributes a product for
14 sale to customers who purchase the product for resale;

1 (b) Uses a sales representative to solicit orders for the product;
2 and

3 (c) Compensates the sales representative in whole or in part by
4 commission.

5 (3) "Sales representative" means a person who solicits, on behalf
6 of a principal, orders for the purchase at wholesale of the principal's
7 product.

8 NEW SECTION. **Sec. 2.** (1) A contract between a principal and
9 a sales representative under which the sales representative is to
10 solicit wholesale orders within this state must be in writing and must
11 set forth the method by which the sales representative's commission is
12 to be computed and paid. The principal shall provide the sales
13 representative with a copy of the contract. A provision in the
14 contract establishing venue for an action arising under the contract in
15 a state other than this state is void.

16 (2) When no written contract has been entered into, any agreement
17 between a sales representative and a principal is deemed to incorporate
18 the provisions of sections 1 through 6 of this act.

19 (3) During the course of the contract, a sales representative shall
20 be paid the earned commission and all other moneys earned or payable in
21 accordance with the agreed terms of the contract, but no later than
22 thirty days after receipt of payment by the principal for products or
23 goods sold on behalf of the principal by the sales representative.

24 Upon termination of a contract, whether or not the agreement is in
25 writing, all earned commissions due to the sales representative shall
26 be paid within thirty days after they become due, including earned
27 commissions not due when the contract is terminated.

1 NEW SECTION. **Sec. 3.** A principal shall pay wages and
2 commissions at the usual place of payment unless the sales
3 representative requests that the wages and commissions be sent through
4 registered mail. If, in accordance with a request by the sales
5 representative, the sales representative's wages and commissions are
6 sent through the mail, the wages and commissions are deemed to have
7 been paid as of the date of their registered postmark.

8 NEW SECTION. **Sec. 4.** A principal who fails to comply with a
9 provision of a contract under section 2 of this act relating to payment
10 of a commission or fails to pay a commission as required by section 3
11 of this act is liable to the sales representative in a civil action for
12 three times the damages sustained by the sales representative plus
13 reasonable attorneys' fees and costs.

14 NEW SECTION. **Sec. 5.** A principal who is not a resident of
15 this state and who enters into a contract subject to sections 1 through
16 6 of this act is considered to be doing business in this state for
17 purposes of the exercise of personal jurisdiction over the principal.

18 NEW SECTION. **Sec. 6.** (1) Sections 1 through 6 of this act
19 supplement but do not supplant any other rights and remedies enjoyed by
20 sales representatives.

21 (2) A provision of sections 1 through 6 of this act may not be
22 waived, whether by express waiver or by attempt to make a contract or
23 agreement subject to the laws of another state. A waiver of a
24 provision of sections 1 through 6 of this act is void.

25 NEW SECTION. **Sec. 7.** Sections 1 through 6 of this act are
26 each added to chapter 49.48 RCW.