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**ENGROSSED SUBSTITUTE SENATE BILL 5456**

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**State of Washington 65th Legislature 2017 Regular Session**

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

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

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

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

The following actions shall be commenced within six years:

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

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

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

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

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

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

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

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

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

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

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

(i) The lessee was not a natural person;

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

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

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

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

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