

# FINAL BILL REPORT

## SHB 1013

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C 395 L 93  
Synopsis as Enacted

**Brief Description:** Adopting the revised uniform commercial code on bulk sales.

By House Committee on Judiciary (originally sponsored by Representatives Appelwick and Riley).

House Committee on Judiciary  
House Committee on Appropriations  
Senate Committee on Law & Justice

**Background:** Statutes regulating bulk sales originally were enacted in response to concerns that a merchant would acquire stock in trade on credit, then sell the entire inventory and abscond with the proceeds. The creditors had a right to sue the merchant, but that right was often of little practical value. The creditors had no recourse against the buyer. The salient feature of bulk sales laws is the imposition of duties on the buyer to notify the seller's creditors of the sale and to assure a distribution of the sale to the creditors. The buyer's failure to comply enables a creditor to set aside the sale and take the inventory.

Washington law on bulk sales has followed the national model. A bulk sale is ineffective against a creditor of the transferor unless the buyer complies with several requirements.

The National Conference of Commissioners on Uniform State Laws and the American Law Institute believe that bulk sales laws impede normal business transactions and that changes in the business and legal contexts in which bulk sales are conducted have made regulation of bulk sales unnecessary.

**Summary:** The article of Washington's Uniform Commercial Code known as the Uniform Commercial Code - Bulk Transfers is repealed.

**Votes on Final Passage:**

House	97	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

**Effective:** July 25, 1993