

SENATE BILL REPORT

HB 1086

As Reported By Senate Committee On:
Law & Justice, March 16, 1995

Title: An act relating to personal property liens and security interests.

Brief Description: Revising provisions relating to personal property liens and security interests.

Sponsors: Representatives Hickel and Appelwick; by request of Law Revision Commission.

Brief History:

Committee Activity: Law & Justice: 3/16/95 [DP].

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass.

Signed by Senators Smith, Chair; Haugen, Johnson, Long, McCaslin, Roach and Schow.

Staff: Cynthia Runger (786-7717)

Background: Personal property liens that are excluded from the secured transactions section of the Uniform Commercial Code (UCC), including statutory and common law liens, may be nonjudicially foreclosed under the foreclosure section of the liens statute or foreclosed in accordance with the judicial foreclosure procedures found in the foreclosure section of the mortgages, deeds of trust, and real estate contracts statute. The latter statute provides judicial foreclosure procedures for real estate mortgages, and contains one section concerning the foreclosure of personal property liens.

Article 9 of the UCC permits judicial foreclosure of personal property security interests covered by Article 9. However, no judicial foreclosure procedures are provided.

The Law Revision Commission is directed by statute to review the code and make recommended improvements to the Legislature. The commission recommends that several technical changes be made to provisions relating to personal property lien foreclosures.

Summary of Bill: The law concerning foreclosure of personal property liens is rewritten for clarification, and is recodified from the statute dealing with real property foreclosure to the statute dealing with personal property foreclosure. Several other provisions of the code are amended to correctly reference the recodified section.

A new section is added making the judicial foreclosure procedures for real estate mortgages applicable to the foreclosure of personal property security interests covered by Article 9 of the UCC.

A reference to "chattel mortgage" is deleted, and a section concerning chattel mortgages is repealed.

Two sections of the code whose information is incorporated into Section 1 of the bill are decodified.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill corrects the inadvertent deletion of several sections of the Revised Code of Washington relating to personal property liens when the Uniform Commercial Code was adopted. Additionally, it deletes sections that are obsolete and unnecessary.

Testimony Against: None.

Testified: Marjorie Rombauer, Washington Law Revision Commission (pro).