
HOUSE BILL 2654

State of Washington

56th Legislature

2000 Regular Session

By Representative Wood

Read first time . Referred to Committee on .

1 AN ACT Relating to paying commissioned sales representatives; and
2 amending RCW 49.48.150 and 49.48.160.

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

4 **Sec. 1.** RCW 49.48.150 and 1992 c 177 s 1 are each amended to read
5 as follows:

6 Unless the context clearly requires otherwise, the definitions in
7 this section apply throughout RCW 49.48.160 through 49.48.190.

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, offers, or distributes a
14 product or service, including but not limited to memberships, for sale
15 to customers (~~((who purchase the product for resale))~~);

16 (b) Uses a sales representative to solicit orders for the product
17 or service; and

18 (c) Compensates the sales representative in whole or in part by
19 commission.

1 (3) "Sales representative" means a person who solicits, on behalf
2 of a principal, orders for the purchase (~~(at wholesale)~~) of the
3 principal's product or service, but does not include a person who
4 places orders for his or her own account for resale(~~(or)~~) or purchases
5 for his or her own account for resale(~~(or or sells or takes orders for~~
6 ~~the direct sale of products to the ultimate consumer)~~)).

7 **Sec. 2.** RCW 49.48.160 and 1992 c 177 s 2 are each amended to read
8 as follows:

9 (1) A contract between a principal and a sales representative under
10 which the sales representative is to solicit (~~(wholesale)~~) orders
11 within this state must be in writing and must set forth the method by
12 which the sales representative's commission is to be computed and paid,
13 including the conditions for receipt of commissions after termination
14 of the contract or employment. The principal shall provide the sales
15 representative with a copy of the contract. A provision in the
16 contract establishing venue for an action arising under the contract in
17 a state other than this state is void.

18 (2) If a sales representative is not provided a written contract
19 and is denied a commission, the principal is liable to the sales
20 representative for twice the amount of the commission upon a finding by
21 a court of competent jurisdiction that the commission is owed to the
22 sales representative by the principal. When no written contract has
23 been entered into, any agreement between a sales representative and a
24 principal is deemed to incorporate the provisions of RCW 49.48.150
25 through 49.48.190.

26 (3) During the course of the contract or employment, a sales
27 representative shall be paid the earned commission and all other moneys
28 earned or payable in accordance with the agreed terms of the contract,
29 but no later than thirty days after receipt of payment by the principal
30 for products or (~~(goods)~~) services sold on behalf of the principal by
31 the sales representative.

32 Upon termination of a contract or employment, whether or not the
33 agreement is in writing, all earned commissions due to the sales
34 representative shall be paid within thirty days after receipt of
35 payment by the principal for products or (~~(goods)~~) services sold on

1 behalf of the principal by the sales representative, including earned
2 commissions not due when the contract or employment is terminated.

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