

# FINAL BILL REPORT

## ESB 5053

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Synopsis as Enacted

**Brief Description:** Making corrections to Article 9A of the Uniform Commercial Code.

**Sponsors:** Senators Constantine and Johnson.

**Senate Committee on Judiciary**

**House Committee on Judiciary**

**Background:** The Uniform Commercial Code in effect in all 50 states contains rules dealing with commercial sales transactions. Article 9 of that code regulates the creation, operation and filing of security interests in all property other than land. In 2000, Washington adopted the revised and modernized Article 9A (effective July 1, 2001) which was proposed by the National Conference of Commissioners on Uniform State Laws and recommended by the Washington Bar Association. Since implementation, technical amendments have become necessary to correct inaccurate cross-references, to integrate the uniform law with existing Washington lien laws, to correct grammatical and drafting errors, and to correct references to terms which were changed or modified. Most of the changes are promulgated by the National Conference of Commissioners on Uniform State Laws, which drafted the revised Article 9A. Changes have also been requested by county auditors to exempt them from requirements that they accept an amount greater than the applicable filing fee, that they provide two-day turnaround time for acknowledgment of filing, and that on a weekly basis they offer to sell or license copies of filing records to the public.

In addition to technical changes, it is recommended that the damages which a debtor can collect from a secured party be modified to prevent a double recovery.

**Summary:** Procedural, technical, and clarifying amendments are made to Chapter 62A.9A RCW, the Uniform Commercial Code provisions regulating security interests in property other than land. Substantively, to the extent that a secured party's deficiency claim against a debtor is reduced or eliminated because the sale was not commercially reasonable, the debtor may not also collect statutory damages against the secured party. Changes are also made to the Article 9A provisions enacted in 2000 to allow county auditors' offices to continue to process fixture filings according to prior procedures.

**Votes on Final Passage:**

Senate	49 0
House	88 0

**Effective:** July 1, 2001