

SENATE BILL REPORT

SB 6286

As Passed Senate, January 29, 1996

Title: An act relating to rights to dies, molds, forms, and patterns.

Brief Description: Conferring possessory and lien rights to entities that used dies, molds, forms, and patterns unclaimed.

Sponsors: Senators Pelz, Deccio, Heavey and Hale.

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/15/96, 1/22/96 [DP].
Passed Senate, 1/29/96, 42-0.

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser and Newhouse.

Staff: Erika Lim (786-7488)

Background: Plastic injection molds are used to form hard plastic products such as dashboards, computers and telephones. In general, the process has two steps. First, the customer has a mold made. Next, the mold is taken to a fabricator, who injects plastic into the mold and produces the product. The mold maker and the fabricator are often two different entities.

Summary of Bill: Mold makers and fabricators are allowed recourse if a customer abandons a mold or fails to pay. If a customer leaves a mold with a mold maker and fails to claim it within three years after the mold was last used, the mold maker may seek legal title to the mold by sending notice to the customer. If the customer does not respond, the title and all rights to the mold transfer by operation of law to the mold maker, who may then destroy or otherwise dispose of the mold.

If a customer fails to pay a fabricator and the fabricator has physical possession of the mold, the fabricator may retain the mold and is granted a lien right in the amount of the materials and fabrication work. Before the lien may be enforced, the fabricator must send notice to the customer. If the customer fails to respond to the notice and pay the amounts owing, the mold may be sold at public sale. The fabricator is entitled to the amounts owing from the customer, the costs of holding, preparing for sale and selling the mold, and reasonable attorney fees. Any excess must be paid to other lien holds, and the remainder is remitted to the customer.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This will allow mold makers and fabricators recourse if customers do not fulfill their obligations.

Testimony Against: None.

Testified: Mark Greenberg, American Plastics Council (pro); Fred Tompkins, Vaupell Industrial Plastics Inc. (pro); John Fleck, Fleck Company, Inc. (pro).

House Amendment(s): The House amendment provides that the lien does not have priority over a previously perfected security interest.