

**SHB 1535 - H AMD 268**

By Representative Condotta

NOT CONSIDERED 04/22/2011

1 Strike everything after the enacting clause and insert the  
2 following:

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4 **NEW SECTION. Sec. 1.** (1)(a) Any business payment contract  
5 containing a personal guarantee must contain a separate signature  
6 line. The signature line must directly follow one or more other  
7 signature lines, if any, that the person who is making the personal  
8 guarantee must sign to signal acceptance of the agreement.

9 (b) The signature line must be preceded directly by the phrase,  
10 "Disclosure: By signing this contract you, the undersigned, are  
11 agreeing to personally guarantee payment according to the terms of  
12 this contract." The phrase must be written in bold, capital letters.

13 (2) For purposes of this section, "business payment contract  
14 containing a personal guarantee" means a written agreement between  
15 two or more parties, excluding negotiable instruments as defined in  
16 RCW 62A.3-104, in which one natural person agrees to guarantee the  
17 debt of a business entity as consideration for the agreement.

18  
19 **NEW SECTION. Sec. 2** The personal guarantee in a business payment  
20 contract containing a personal guarantee found not to meet the  
21 requirements of section 1 of this act is against the public policy of  
22 this state and is to that extent unenforceable.

23  
24 **NEW SECTION. Sec. 3.** This chapter applies to business payment  
25 contracts containing a personal guarantee executed on or after January  
26 1, 2012.

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1        NEW SECTION.    **Sec. 4.**    Sections 1 through 3 of this act constitute  
2 a new chapter in Title 19 RCW."  
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EFFECT:

Strikes the definition of "authorized business representative" and removes that term.

Applies the bill's provisions to written agreements between two or more parties in which one person promises to guarantee the debt of a business entity, rather than agreements in which one party is an authorized business representative who makes a personal guarantee.

Changes requirements for the required additional signature line and notice to the person making a personal guarantee.

Specifies that the bill's provisions do not apply to contracts that qualify as negotiable instruments for purposes of the Uniform Commercial Code.

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