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**SUBSTITUTE SENATE BILL 5456**

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**State of Washington**

**65th Legislature**

**2017 Regular Session**

**By** Senate Financial Institutions & Insurance (originally sponsored by Senators Braun and Bailey)

READ FIRST TIME 02/16/17.

1 AN ACT Relating to unpaid accounts; amending RCW 4.16.040 and  
2 19.52.010; and creating a new section.

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

4 **Sec. 1.** RCW 4.16.040 and 2012 c 185 s 3 are each amended to read  
5 as follows:

6 The following actions shall be commenced within six years:

7 (1) An action upon a contract in writing, or liability express or  
8 implied arising out of a written agreement, except as provided for in  
9 RCW 64.04.007(2).

10 (2) An action upon an account receivable. For purposes of this  
11 section, an account receivable is any obligation for payment incurred  
12 in the ordinary course of the claimant's business or profession,  
13 whether arising from one or more transactions (~~and~~), whether or not  
14 earned by performance, whether or not reduced to oral or written  
15 contract, and whether or not disputed. "Account receivable" includes,  
16 but is not limited to, obligations for medical or other professional  
17 services and damage to real or personal property.

18 (3) An action for the rents and profits or for the use and  
19 occupation of real estate.

1       **Sec. 2.** RCW 19.52.010 and 2011 c 336 s 542 are each amended to  
2 read as follows:

3       (1) Every loan or forbearance of money, goods, or thing in action  
4 shall bear interest at the rate of twelve percent per annum where no  
5 different rate is agreed to in writing between the parties: PROVIDED,  
6 That with regard to any transaction heretofore or hereafter entered  
7 into subject to this section, if an agreement in writing between the  
8 parties evidencing such transaction provides for the payment of money  
9 at the end of an agreed period of time or in installments over an  
10 agreed period of time, then such agreement shall constitute a writing  
11 for purposes of this section and satisfy the requirements thereof.  
12 The discounting of commercial paper, where the borrower makes himself  
13 or herself liable as maker, guarantor, or indorser, shall be  
14 considered as a loan for the purposes of this chapter.

15       (2) Where a forbearance concerns an account receivable, or goods  
16 or services provided that are not accounts receivable, the  
17 obligations shall be deemed liquidated; and in the absence of an  
18 agreement between the parties setting forth a date on which the  
19 moneys become due, interest begins to accrue: (a) On an account  
20 receivable, from the date of the last charge or transaction therein;  
21 (b) on goods or services provided that are not accounts receivable,  
22 on the payment due date specified in any written invoice, bill,  
23 account statement, or other form of writing seeking payment; or (c)  
24 on obligations for medical services, when the debt is transferred to  
25 a collection agency as defined in chapter 19.16 RCW or one hundred  
26 twenty days from the due date specified in any demand for payment  
27 from the medical provider or facility, whichever occurs later,  
28 provided that no interest may accrue or be charged on any portion of  
29 the obligation for medical services that is subsequently covered by  
30 charity care.

31       (3) For purposes of this section, the term "account receivable"  
32 has the same meaning as in RCW 4.16.040(2).

33       (4) A lease shall not be considered a loan or forbearance for the  
34 purposes of this chapter if:

35       (a) It constitutes a "consumer lease" as defined in RCW  
36 63.10.020;

37       (b) It constitutes a lease-purchase agreement under chapter 63.19  
38 RCW; or

39       (c) It would constitute such "consumer lease" but for the fact  
40 that:

- 1 (i) The lessee was not a natural person;  
2 (ii) The lease was not primarily for personal, family, or  
3 household purposes; or  
4 (iii) The total contractual obligation exceeded twenty-five  
5 thousand dollars.

6 NEW SECTION. **Sec. 3.** This act applies to all accounts  
7 receivable and goods or services provided that are not accounts  
8 receivable, whether in existence before or after the effective date  
9 of this section.

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