

**SHB 1476** - S COMM AMD

By Committee on Financial Institutions, Economic Development & Trade

**NOT CONSIDERED 12/23/2019**

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

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 63.10  
4 RCW to read as follows:

5 A contract entered into on or after the effective date of this  
6 section to transfer ownership of a live dog or cat in which ownership  
7 is contingent upon the making of payments over a period of time  
8 subsequent to the transfer of possession of the live dog or cat, or  
9 provides for or offers the option of transferring ownership of the  
10 dog or cat at the end of a lease term, is void and unenforceable.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 63.14  
12 RCW to read as follows:

13 A retail installment contract entered into on or after the  
14 effective date of this section that includes a live dog or cat as a  
15 security interest for the contract is void and unenforceable.

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 31.04  
17 RCW to read as follows:

18 A contract entered into on or after the effective date of this  
19 section for the payment to repay a loan for the purchase of a live  
20 dog or cat, where a security interest is granted in the dog or cat,  
21 is void and unenforceable.

22 **Sec. 4.** RCW 62A.9A-109 and 2000 c 250 s 9A-109 are each amended  
23 to read as follows:

24 (a) **General scope of Article.** Except as otherwise provided in  
25 subsections (c) and (d) of this section, this Article applies to:

26 (1) A transaction, regardless of its form, that creates a  
27 security interest in personal property or fixtures by contract;

28 (2) An agricultural lien;

29 (3) A sale of accounts, chattel paper, payment intangibles, or  
30 promissory notes;

1 (4) A consignment;

2 (5) A security interest arising under RCW 62A.2-401, 62A.2-505,  
3 62A.2-711(3), or 62A.2A-508(5), as provided in RCW 62A.9A-110; and

4 (6) A security interest arising under RCW 62A.4-210 or 62A.5-118.

5 (b) **Security interest in secured obligation.** The application of  
6 this Article to a security interest in a secured obligation is not  
7 affected by the fact that the obligation is itself secured by a  
8 transaction or interest to which this Article does not apply.

9 (c) **Extent to which Article does not apply.** This Article does not  
10 apply to the extent that:

11 (1) A statute, regulation, or treaty of the United States  
12 preempts this Article;

13 (2) Another statute of this state expressly governs the creation,  
14 perfection, priority, or enforcement of a security interest created  
15 by this state or a governmental unit of this state;

16 (3) A statute of another state, a foreign country, or a  
17 governmental unit of another state or a foreign country, other than a  
18 statute generally applicable to security interests, expressly governs  
19 creation, perfection, priority, or enforcement of a security interest  
20 created by the state, country, or governmental unit; or

21 (4) The rights of a transferee beneficiary or nominated person  
22 under a letter of credit are independent and superior under RCW  
23 62A.5-114.

24 (d) **Inapplicability of Article.** This Article does not apply to:

25 (1) A landlord's lien, other than an agricultural lien;

26 (2) A lien, other than an agricultural lien, given by statute or  
27 other rule of law for services or materials, but RCW 62A.9A-333  
28 applies with respect to priority of the lien;

29 (3) An assignment of a claim for wages, salary, or other  
30 compensation of an employee;

31 (4) A sale of accounts, chattel paper, payment intangibles, or  
32 promissory notes as part of a sale of the business out of which they  
33 arose;

34 (5) An assignment of accounts, chattel paper, payment  
35 intangibles, or promissory notes which is for the purpose of  
36 collection only;

37 (6) An assignment of a right to payment under a contract to an  
38 assignee that is also obligated to perform under the contract;

1 (7) An assignment of a single account, payment intangible, or  
2 promissory note to an assignee in full or partial satisfaction of a  
3 preexisting indebtedness;

4 (8) A transfer of an interest in or an assignment of a claim  
5 under a policy of insurance, other than an assignment by or to a  
6 health-care provider of a health-care-insurance receivable and any  
7 subsequent assignment of the right to payment, but RCW 62A.9A-315 and  
8 62A.9A-322 apply with respect to proceeds and priorities in proceeds;

9 (9) An assignment of a right represented by a judgment, other  
10 than a judgment taken on a right to payment that was collateral;

11 (10) A right of recoupment or set-off, but:

12 (A) RCW 62A.9A-340 applies with respect to the effectiveness of  
13 rights of recoupment or set-off against deposit accounts; and

14 (B) RCW 62A.9A-404 applies with respect to defenses or claims of  
15 an account debtor;

16 (11) The creation or transfer of an interest in or lien on real  
17 property, including a lease or rents thereunder, except to the extent  
18 that provision is made for:

19 (A) Liens on real property in RCW 62A.9A-203 and 62A.9A-308;

20 (B) Fixtures in RCW 62A.9A-334;

21 (C) Fixture filings in RCW 62A.9A-501, 62A.9A-502, 62A.9A-512,  
22 62A.9A-516, and 62A.9A-519; and

23 (D) Security agreements covering personal and real property in  
24 RCW 62A.9A-604;

25 (12) An assignment of a claim arising in tort, other than a  
26 commercial tort claim, but RCW 62A.9A-315 and 62A.9A-322 apply with  
27 respect to proceeds and priorities in proceeds;

28 (13) An assignment in a consumer transaction of a deposit account  
29 on which checks can be drawn, but RCW 62A.9A-315 and 62A.9A-322 apply  
30 with respect to proceeds and priorities in proceeds; ((~~or~~))

31 (14) A transfer by this state or a governmental unit of this  
32 state; or

33 (15) The creation or transfer of an interest in or lien on a live  
34 dog or cat.

35 NEW SECTION. **Sec. 5.** In addition to any other remedies provided  
36 by law, the consumer taking possession of a live dog or cat that is  
37 transferred under a contract declared to be void and unenforceable  
38 under section 1, 2, or 3 of this act is deemed the owner of the dog

1 or cat and is also entitled to the return of all amounts the consumer  
2 paid under the contract.

3 NEW SECTION. **Sec. 6.** Nothing in this act may be construed to  
4 apply to contracts for payments to repay an unsecured loan for the  
5 purchase of a live dog or cat."

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6 On page 1, line 1 of the title, after "cats;" strike the  
7 remainder of the title and insert "amending RCW 62A.9A-109; adding a  
8 new section to chapter 63.10 RCW; adding a new section to chapter  
9 63.14 RCW; adding a new section to chapter 31.04 RCW; and creating  
10 new sections."

EFFECT: Clarifies that the transfer of ownership, rather than the  
purchase, of a live dog or cat in which ownership of the animal is  
contingent on making payments over a period of time is prohibited.  
Adds a nonuniform exception concerning the creation or transfer of  
interest in or lien on a live dog or cat in the Uniform Commercial  
Code Section on applicability.

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