

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6120

Chapter 177, Laws of 1992

52nd Legislature
1992 Regular Session

SALES REPRESENTATIVES AND PRINCIPALS--REGULATION OF
CONTRACTUAL RELATIONSHIP BETWEEN

EFFECTIVE DATE: 6/11/92

Passed by the Senate March 7, 1992
Yeas 46 Nays 0

JOEL PRITCHARD

President of the Senate

Passed by the House March 3, 1992
Yeas 96 Nays 0

JOE KING

**Speaker of the
House of Representatives**

Approved April 1, 1992

BOOTH GARDNER

Governor of the State of Washington

CERTIFICATE

I, Gordon Golob, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6120** as passed by the Senate and the House of Representatives on the dates hereon set forth.

GORDON A. GOLOB

Secretary

FILED

April 1, 1992 - 11:03 a.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6120

AS AMENDED BY THE HOUSE

Passed Legislature - 1992 Regular Session

State of Washington 52nd Legislature 1992 Regular Session

By Senate Committee on Financial Institutions & Insurance (originally sponsored by Senators A. Smith and von Reichbauer)

Read first time 02/06/92.

1 AN ACT Relating to the relationship between a sales representative
2 and the representative's principal; adding new sections to chapter
3 49.48 RCW; and prescribing penalties.

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

5 NEW SECTION. **Sec. 1.** Unless the context clearly requires
6 otherwise, the definitions in this section apply throughout sections 2
7 through 6 of this act.

8 (1) "Commission" means compensation paid a sales representative by
9 a principal in an amount based on a percentage of the dollar amount of
10 certain orders for or sales of the principal's product.

11 (2) "Principal" means a person, whether or not the person has a
12 permanent or fixed place of business in this state, who:

13 (a) Manufactures, produces, imports, or distributes a product for
14 sale to customers who purchase the product for resale;

1 (b) Uses a sales representative to solicit orders for the product;
2 and

3 (c) Compensates the sales representative in whole or in part by
4 commission.

5 (3) "Sales representative" means a person who solicits, on behalf
6 of a principal, orders for the purchase at wholesale of the principal's
7 product, but does not include a person who places orders for his own
8 account for resale, or purchases for his own account for resale, or
9 sells or takes orders for the direct sale of products to the ultimate
10 consumer.

11 NEW SECTION. **Sec. 2.** (1) A contract between a principal and
12 a sales representative under which the sales representative is to
13 solicit wholesale orders within this state must be in writing and must
14 set forth the method by which the sales representative's commission is
15 to be computed and paid. The principal shall provide the sales
16 representative with a copy of the contract. A provision in the
17 contract establishing venue for an action arising under the contract in
18 a state other than this state is void.

19 (2) When no written contract has been entered into, any agreement
20 between a sales representative and a principal is deemed to incorporate
21 the provisions of sections 1 through 5 of this act.

22 (3) During the course of the contract, a sales representative shall
23 be paid the earned commission and all other moneys earned or payable in
24 accordance with the agreed terms of the contract, but no later than
25 thirty days after receipt of payment by the principal for products or
26 goods sold on behalf of the principal by the sales representative.

27 Upon termination of a contract, whether or not the agreement is in
28 writing, all earned commissions due to the sales representative shall
29 be paid within thirty days after receipt of payment by the principal

1 for products or goods sold on behalf of the principal by the sales
2 representative, including earned commissions not due when the contract
3 is terminated.

4 NEW SECTION. **Sec. 3.** A principal shall pay wages and
5 commissions at the usual place of payment unless the sales
6 representative requests that the wages and commissions be sent through
7 registered mail. If, in accordance with a request by the sales
8 representative, the sales representative's wages and commissions are
9 sent through the mail, the wages and commissions are deemed to have
10 been paid as of the date of their registered postmark.

11 NEW SECTION. **Sec. 4.** A principal who is not a resident of
12 this state and who enters into a contract subject to sections 1 through
13 5 of this act is considered to be doing business in this state for
14 purposes of the exercise of personal jurisdiction over the principal.

15 NEW SECTION. **Sec. 5.** (1) Sections 1 through 5 of this act
16 supplement but do not supplant any other rights and remedies enjoyed by
17 sales representatives.

18 (2) A provision of sections 1 through 5 of this act may not be
19 waived, whether by express waiver or by attempt to make a contract or
20 agreement subject to the laws of another state. A waiver of a
21 provision of sections 1 through 5 of this act is void.

22 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act are
23 each added to chapter 49.48 RCW.

24 NEW SECTION. **Sec. 7.** If any provision of this act or its
25 application to any person or circumstance is held invalid, the

- 1 remainder of the act or the application of the provision to other
- 2 persons or circumstances is not affected.

Passed the Senate March 7, 1992.

Passed the House March 3, 1992.

Approved by the Governor April 1, 1992.

Filed in Office of Secretary of State April 1, 1992.