
SUBSTITUTE SENATE BILL 6120

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 engaged in home solicitation
8 sales who buys consumer products on a buy-sell basis or deposit-
9 commission basis for resale, by the buyer or any other person, in the
10 home or otherwise than in a permanent retail establishment or who sells
11 or solicits the sale of consumer products in the home or otherwise than
12 in a permanent retail establishment.

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

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

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

1 Upon termination of a contract, whether or not the agreement is in
2 writing, all earned commissions due to the sales representative shall
3 be paid within thirty days after receipt of payment by the principal
4 for products or goods sold on behalf of the principal by the sales
5 representative, including earned commissions not due when the contract
6 is terminated.

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

14 NEW SECTION. **Sec. 4.** A principal who is not a resident of
15 this state and who enters into a contract subject to sections 1 through
16 5 of this act is considered to be doing business in this state for
17 purposes of the exercise of personal jurisdiction over the principal.

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

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

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

1 NEW SECTION. **Sec. 7.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.