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HOUSE BILL 1535

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State of Washington                      62nd Legislature                      2011 Regular Session

By Representatives Condotta, Kirby, and Bailey

Read first time 01/25/11.      Referred to Committee on Business & Financial Services.

1            AN ACT Relating to procedures for written business contracts; and  
2 adding a new chapter to Title 19 RCW.

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

4            NEW SECTION.      **Sec. 1.**      The definitions in this section apply  
5 throughout this chapter unless the context clearly requires otherwise.

6            (1) "Authorized business representative" means a natural person  
7 authorized to conduct business on behalf of a business entity,  
8 including a limited liability company, corporation, or nonprofit  
9 corporation, registered in Washington or another state.

10           (2) "Business payment contract" means a written agreement between  
11 two or more parties in which at least one party is an authorized  
12 business representative who, as consideration for the agreement,  
13 promises to personally pay a sum of money to the other party or parties  
14 to the agreement.

15           NEW SECTION.      **Sec. 2.**      Any business payment contract must contain  
16 the following for each authorized business representative who is a  
17 party to the agreement:

1 (1) A separate signature line, directly following and on the same  
2 page as any other signature line or lines that the authorized business  
3 representative must sign to signal his or her acceptance of the  
4 agreement;

5 (2) The signature line must be directly preceded on the same page  
6 by the phrase, "By signing this contract you, the undersigned, agree to  
7 become PERSONALLY LIABLE for any sums due pursuant to this document,  
8 regardless of whether you are signing on behalf of a limited liability  
9 company, corporation, or nonprofit corporation." The phrase must be  
10 written in bold, fourteen-point or larger font in clearly visible ink.

11 NEW SECTION. **Sec. 3.** It is the duty of any party to the business  
12 payment contract other than an authorized business representative to  
13 ensure that the requirements of section 1 of this act are met.

14 NEW SECTION. **Sec. 4.** A business payment contract between a party  
15 or parties and an authorized business representative found not to meet  
16 the requirements of section 1 of this act is voidable by the authorized  
17 business representative.

18 NEW SECTION. **Sec. 5.** This chapter applies to business payment  
19 contracts executed on or after January 1, 2012.

20 NEW SECTION. **Sec. 6.** Sections 1 through 5 of this act constitute  
21 a new chapter in Title 19 RCW.

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