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SENATE BILL 5085

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State of Washington                      65th Legislature                      2017 Regular Session

By Senators Pedersen, Padden, Frockt, and O'Ban; by request of  
Uniform Law Commission

Read first time 01/12/17. Referred to Committee on Law & Justice.

1            AN ACT Relating to enactment of the uniform voidable transactions  
2 act; amending RCW 19.40.011, 19.40.021, 19.40.031, 19.40.041,  
3 19.40.051, 19.40.061, 19.40.071, 19.40.081, 19.40.091, and 19.40.900;  
4 adding new sections to chapter 19.40 RCW; and creating a new section.

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

6            **Sec. 1.** RCW 19.40.011 and 1987 c 444 s 1 are each amended to  
7 read as follows:

8            As used in this chapter:

9            (1) "Affiliate" means:

10            ((+i)) (a) A person ((~~who~~)) that directly or indirectly owns,  
11 controls, or holds with power to vote, twenty percent or more of the  
12 outstanding voting securities of the debtor, other than a person  
13 ((~~who~~)) that holds the securities((+)):

14            ((+A)) (i) As a fiduciary or agent without sole discretionary  
15 power to vote the securities; or

16            ((+B)) (ii) Solely to secure a debt, if the person has not in  
17 fact exercised the power to vote;

18            ((+ii)) (b) A corporation twenty percent or more of whose  
19 outstanding voting securities are directly or indirectly owned,  
20 controlled, or held with power to vote, by the debtor or a person  
21 ((~~who~~)) that directly or indirectly owns, controls, or holds with

1 power to vote, twenty percent or more of the outstanding voting  
2 securities of the debtor, other than a person (~~who~~) that holds the  
3 securities:

4 ~~((A))~~ (i) As a fiduciary or agent without sole discretionary  
5 power to vote the securities; or

6 ~~((B))~~ (ii) Solely to secure a debt, if the person has not in  
7 fact exercised the power to vote;

8 ~~((iii))~~ (c) A person whose business is operated by the debtor  
9 under a lease or other agreement, or a person substantially all of  
10 whose assets are controlled by the debtor; or

11 ~~((iv))~~ (d) A person (~~who~~) that operates the debtor's business  
12 under a lease or other agreement or controls substantially all of the  
13 debtor's assets.

14 (2) "Asset" means property of a debtor, but the term does not  
15 include:

16 ~~((i))~~ (a) Property to the extent it is encumbered by a valid  
17 lien; or

18 ~~((ii))~~ (b) Property to the extent it is generally exempt under  
19 nonbankruptcy law.

20 (3) "Claim," except as used in "claim for relief," means a right  
21 to payment, whether or not the right is reduced to judgment,  
22 liquidated, unliquidated, fixed, contingent, matured, unmatured,  
23 disputed, undisputed, legal, equitable, secured, or unsecured.

24 (4) "Creditor" means a person (~~who~~) that has a claim.

25 (5) "Debt" means liability on a claim.

26 (6) "Debtor" means a person (~~who~~) that is liable on a claim.

27 (7) "Electronic" means relating to technology having electrical,  
28 digital, magnetic, wireless, optical, electromagnetic, or similar  
29 capabilities.

30 (8) "Insider" includes:

31 ~~((i))~~ (a) If the debtor is an individual:

32 ~~((A))~~ (i) A relative of the debtor or of a general partner of  
33 the debtor;

34 ~~((B))~~ (ii) A partnership in which the debtor is a general  
35 partner;

36 ~~((C))~~ (iii) A general partner in a partnership described in  
37 ~~((subsection (7)(i)(B))~~ (a)(ii) of this ~~((section))~~ subsection; or

38 ~~((D))~~ (iv) A corporation of which the debtor is a director,  
39 officer, or person in control;

40 ~~((ii))~~ (b) If the debtor is a corporation:

1       ~~((A))~~ (i) A director of the debtor;  
2       ~~((B))~~ (ii) An officer of the debtor;  
3       ~~((C))~~ (iii) A person in control of the debtor;  
4       ~~((D))~~ (iv) A partnership in which the debtor is a general  
5 partner;  
6       ~~((E))~~ (v) A general partner in a partnership described in  
7 ~~((subsection (7)(ii)(D))~~ (b)(iv) of this ~~((section))~~ subsection; or  
8       ~~((F))~~ (vi) A relative of a general partner, director, officer,  
9 or person in control of the debtor;  
10       ~~((iii))~~ (c) If the debtor is a partnership:  
11       ~~((A))~~ (i) A general partner in the debtor;  
12       ~~((B))~~ (ii) A relative of a general partner in, or a general  
13 partner of, or a person in control of the debtor;  
14       ~~((C))~~ (iii) Another partnership in which the debtor is a  
15 general partner;  
16       ~~((D))~~ (iv) A general partner in a partnership described in  
17 ~~((subsection (7)(iii)(C))~~ (c)(iii) of this ~~((section))~~ subsection;  
18 or  
19       ~~((E))~~ (v) A person in control of the debtor;  
20       ~~((iv))~~ (d) An affiliate, or an insider of an affiliate as if  
21 the affiliate were the debtor; and  
22       ~~((v))~~ (e) A managing agent of the debtor.  
23       ~~((8))~~ (9) "Lien" means a charge against or an interest in  
24 property to secure payment of a debt or performance of an obligation,  
25 and includes a security interest created by agreement, a judicial  
26 lien obtained by legal or equitable process or proceedings, a common-  
27 law lien, or a statutory lien.  
28       (10) "Organization" means a person other than an individual.  
29       ~~((9))~~ (11) "Person" means an individual, ~~((partnership,~~  
30 ~~corporation, association, organization, government or governmental~~  
31 ~~subdivision or agency, business trust, estate, trust, or any))~~  
32 estate, partnership, association, trust, business or nonprofit  
33 entity, public corporation, government or governmental subdivision,  
34 agency, or instrumentality, or other legal or commercial entity.  
35       ~~((10))~~ (12) "Property" means anything that may be the subject  
36 of ownership.  
37       ~~((11))~~ (13) "Reasonably equivalent value" includes, without  
38 limitation, a transfer or an obligation that is within the range of  
39 values for which the transferor would have sold the property or

1 services to, or purchased the property or services from, the  
2 transferee in an arm's length transaction at market rates.

3 (14) "Record" means information that is inscribed on a tangible  
4 medium or that is stored in an electronic or other medium and is  
5 retrievable in perceivable form.

6 (15) "Relative" means an individual related by consanguinity  
7 within the third degree as determined by the common law, a spouse, or  
8 an individual related to a spouse within the third degree as so  
9 determined, and includes an individual in an adoptive relationship  
10 within the third degree.

11 ~~((12))~~ (16) "Sign" means, with present intent to authenticate  
12 or adopt a record:

13 (a) To execute or adopt a tangible symbol; or

14 (b) To attach to or logically associate with the record an  
15 electronic symbol, sound, or process.

16 (17) "Transfer" means every mode, direct or indirect, absolute or  
17 conditional, voluntary or involuntary, of disposing of or parting  
18 with an asset or an interest in an asset, and includes payment of  
19 money, release, lease, license, and creation of a lien or other  
20 encumbrance.

21 ~~((13))~~ (18) "Valid lien" means a lien that is effective against  
22 the holder of a judicial lien subsequently obtained by legal or  
23 equitable process or proceedings.

24 **Sec. 2.** RCW 19.40.021 and 1987 c 444 s 2 are each amended to  
25 read as follows:

26 ~~((a))~~ (1) A debtor is insolvent if, at a fair valuation, the  
27 sum of the debtor's debts is greater than ~~((all))~~ the sum of the  
28 debtor's assets~~((, at a fair valuation))~~.

29 ~~((b))~~ (2) A debtor ~~((who))~~ that is generally not paying ~~((his~~  
30 ~~or her))~~ the debtor's debts as they become due other than as a result  
31 of a bona fide dispute is presumed to be insolvent. The presumption  
32 imposes on the party against which the presumption is directed the  
33 burden of proving that the nonexistence of insolvency is more  
34 probable than its existence.

35 ~~((c) A partnership is insolvent under subsection (a) of this~~  
36 ~~section if the sum of the partnership's debts is greater than the~~  
37 ~~aggregate of all of the partnership's assets, at a fair valuation,~~  
38 ~~and the sum of the excess of the value of each general partner's~~  
39 ~~nonpartnership assets over the partner's nonpartnership debts.~~

1       ~~(d)~~) (3) Assets under this section do not include property that  
2 has been transferred, concealed, or removed with intent to hinder,  
3 delay, or defraud creditors or that has been transferred in a manner  
4 making the transfer voidable under this chapter.

5       ~~((e))~~) (4) Debts under this section do not include an obligation  
6 to the extent it is secured by a valid lien on property of the debtor  
7 not included as an asset.

8       **Sec. 3.** RCW 19.40.031 and 1987 c 444 s 3 are each amended to  
9 read as follows:

10       ~~((a))~~) (1) Value is given for a transfer or an obligation if, in  
11 exchange for the transfer or obligation, property is transferred or  
12 an antecedent debt is secured or satisfied, but value does not  
13 include an unperformed promise made otherwise than in the ordinary  
14 course of the promisor's business to furnish support to the debtor or  
15 another person.

16       ~~((b))~~) (2) For the purposes of RCW 19.40.041~~((a)(2))~~) (1)(b)  
17 and 19.40.051, a person gives a reasonably equivalent value if the  
18 person acquires an interest of the debtor in an asset pursuant to a  
19 regularly conducted, noncollusive foreclosure sale or execution of a  
20 power of sale for the acquisition or disposition of the interest of  
21 the debtor upon default under a mortgage, deed of trust, or security  
22 agreement.

23       ~~((c))~~) (3) A transfer is made for present value if the exchange  
24 between the debtor and the transferee is intended by them to be  
25 contemporaneous and is in fact substantially contemporaneous.

26       **Sec. 4.** RCW 19.40.041 and 1987 c 444 s 4 are each amended to  
27 read as follows:

28       ~~((a))~~) (1) A transfer made or obligation incurred by a debtor is  
29 ~~((fraudulent))~~) voidable as to a creditor, whether the creditor's  
30 claim arose before or after the transfer was made or the obligation  
31 was incurred, if the debtor made the transfer or incurred the  
32 obligation:

33       ~~((1))~~) (a) With actual intent to hinder, delay, or defraud any  
34 creditor of the debtor; or

35       ~~((2))~~) (b) Without receiving a reasonably equivalent value in  
36 exchange for the transfer or obligation, and the debtor:

1 (i) Was engaged or was about to engage in a business or a  
2 transaction for which the remaining assets of the debtor were  
3 unreasonably small in relation to the business or transaction; or

4 (ii) Intended to incur, or believed or reasonably should have  
5 believed that (~~he or she~~) the debtor would incur, debts beyond  
6 (~~his or her~~) the debtor's ability to pay as they became due.

7 (~~(b)~~) (2) In determining actual intent under subsection (~~(a)~~)  
8 (1)(a) of this section, consideration may be given, among other  
9 factors, to whether:

10 (~~(1)~~) (a) The transfer or obligation was to an insider;

11 (~~(2)~~) (b) The debtor retained possession or control of the  
12 property transferred after the transfer;

13 (~~(3)~~) (c) The transfer or obligation was disclosed or  
14 concealed;

15 (~~(4)~~) (d) Before the transfer was made or obligation was  
16 incurred, the debtor had been sued or threatened with suit;

17 (~~(5)~~) (e) The transfer was of substantially all the debtor's  
18 assets;

19 (~~(6)~~) (f) The debtor absconded;

20 (~~(7)~~) (g) The debtor removed or concealed assets;

21 (~~(8)~~) (h) The value of the consideration received by the debtor  
22 was reasonably equivalent to the value of the asset transferred or  
23 the amount of the obligation incurred;

24 (~~(9)~~) (i) The debtor was insolvent or became insolvent shortly  
25 after the transfer was made or the obligation was incurred;

26 (~~(10)~~) (j) The transfer occurred shortly before or shortly  
27 after a substantial debt was incurred; and

28 (~~(11)~~) (k) The debtor transferred the essential assets of the  
29 business to a lienor (~~who~~) that transferred the assets to an  
30 insider of the debtor.

31 (3) A creditor making a claim for relief under subsection (1) of  
32 this section has the burden of proving the elements of the claim for  
33 relief by a preponderance of the evidence.

34 **Sec. 5.** RCW 19.40.051 and 1987 c 444 s 5 are each amended to  
35 read as follows:

36 (~~(a)~~) (1) A transfer made or obligation incurred by a debtor is  
37 (~~fraudulent~~) voidable as to a creditor whose claim arose before the  
38 transfer was made or the obligation was incurred if the debtor made  
39 the transfer or incurred the obligation without receiving a

1 reasonably equivalent value in exchange for the transfer or  
2 obligation and the debtor was insolvent at that time or the debtor  
3 became insolvent as a result of the transfer or obligation.

4 ~~((b))~~ (2) A transfer made by a debtor is ~~((fraudulent))~~  
5 voidable as to a creditor whose claim arose before the transfer was  
6 made if the transfer was made to an insider for an antecedent debt,  
7 the debtor was insolvent at that time, and the insider had reasonable  
8 cause to believe that the debtor was insolvent.

9 (3) Subject to RCW 19.40.021(2), a creditor making a claim for  
10 relief under subsection (1) or (2) of this section has the burden of  
11 proving the elements of the claim for relief by a preponderance of  
12 the evidence.

13 **Sec. 6.** RCW 19.40.061 and 1987 c 444 s 6 are each amended to  
14 read as follows:

15 For the purposes of this chapter:

16 (1) A transfer is made:

17 ~~((i))~~ (a) With respect to an asset that is real property other  
18 than a fixture, but including the interest of a seller or purchaser  
19 under a contract for the sale of the asset, when the transfer is so  
20 far perfected that a good-faith purchaser of the asset from the  
21 debtor against ~~((whom))~~ which applicable law permits the transfer to  
22 be perfected cannot acquire an interest in the asset that is superior  
23 to the interest of the transferee; and

24 ~~((ii))~~ (b) With respect to an asset that is not real property  
25 or that is a fixture, when the transfer is so far perfected that a  
26 creditor on a simple contract cannot acquire a judicial lien  
27 otherwise than under this chapter that is superior to the interest of  
28 the transferee;

29 (2) If applicable law permits the transfer to be perfected as  
30 provided in subsection (1) of this section and the transfer is not so  
31 perfected before the commencement of an action for relief under this  
32 chapter, the transfer is deemed made immediately before the  
33 commencement of the action;

34 (3) If applicable law does not permit the transfer to be  
35 perfected as provided in subsection (1) of this section, the transfer  
36 is made when it becomes effective between the debtor and the  
37 transferee;

38 (4) A transfer is not made until the debtor has acquired rights  
39 in the asset transferred; and

1 (5) An obligation is incurred:  
2 ((+i)) (a) If oral, when it becomes effective between the  
3 parties; or  
4 ((+ii)) (b) If evidenced by a ((writing)) record, when the  
5 ((writing-executed)) record signed by the obligor is delivered to or  
6 for the benefit of the obligee.

7 **Sec. 7.** RCW 19.40.071 and 2000 c 171 s 54 are each amended to  
8 read as follows:

9 ((+a)) (1) In an action for relief against a transfer or  
10 obligation under this chapter, a creditor, subject to the limitations  
11 in RCW 19.40.081, may obtain:

12 ((+1)) (a) Avoidance of the transfer or obligation to the extent  
13 necessary to satisfy the creditor's claim;

14 ((+2)) (b) An attachment or other provisional remedy against the  
15 asset transferred or other property of the transferee ((in accordance  
16 with the procedure prescribed by chapter 6.25 RCW;)) if available  
17 under applicable law; and

18 ((+3)) (c) Subject to applicable principles of equity and in  
19 accordance with applicable rules of civil procedure:

20 (i) An injunction against further disposition by the debtor or a  
21 transferee, or both, of the asset transferred or of other property;

22 (ii) Appointment of a receiver to take charge of the asset  
23 transferred or of other property of the transferee; or

24 (iii) Any other relief the circumstances may require.

25 ((+b)) (2) If a creditor has obtained a judgment on a claim  
26 against the debtor, the creditor, if the court so orders, may levy  
27 execution on the asset transferred or its proceeds.

28 **Sec. 8.** RCW 19.40.081 and 2001 c 32 s 1 are each amended to read  
29 as follows:

30 ((+a)) (1) A transfer or obligation is not voidable under RCW  
31 19.40.041((+a))(1) or 19.40.051(1) against a person ((who)) that  
32 took in good faith and for a reasonably equivalent value whether or  
33 not given to the debtor or against any subsequent transferee or  
34 obligee.

35 ((+b)) (2) To the extent a transfer is avoidable in an action by  
36 a creditor under RCW 19.40.071(1)(a), the following rules apply:

37 (a) Except as otherwise provided in this section, ((to the extent  
38 a transfer is voidable in an action by a creditor under RCW



1 ~~19.40.071(a)(1),~~) the creditor may recover judgment for the value of  
2 the asset transferred, as adjusted under subsection (c) of this  
3 section, or the amount necessary to satisfy the creditor's claim,  
4 whichever is less. The judgment may be entered against:

5 ~~((1))~~ (i) The first transferee of the asset or the person for  
6 whose benefit the transfer was made; or

7 ~~((2) Any subsequent transferee other than)~~ (ii) An immediate or  
8 mediate transferee of the first transferee, other than:

9 (A) A good-faith transferee ~~((or obligee who))~~ that took for  
10 value; or

11 (B) ((from any subsequent transferee or obligee)) An immediate or  
12 mediate good-faith transferee of a person described in (a)(ii)(A) of  
13 this subsection.

14 ~~((c))~~ (b) Recovery pursuant to RCW 19.40.071 (1)(a) or (2) or  
15 from the asset transferred or its proceeds, by levy or otherwise, is  
16 available only against a person described in (a)(i) or (ii) of this  
17 subsection.

18 (3) If the judgment under subsection ~~((b))~~ (2) of this section  
19 is based upon the value of the asset transferred, the judgment must  
20 be for an amount equal to the value of the asset at the time of the  
21 transfer, subject to adjustment as the equities may require.

22 ~~((d))~~ (4) Notwithstanding voidability of a transfer or an  
23 obligation under this chapter, a good-faith transferee or obligee is  
24 entitled, to the extent of the value given the debtor for the  
25 transfer or obligation, to:

26 ~~((1))~~ (a) A lien on or a right to retain ~~((any))~~ an interest in  
27 the asset transferred;

28 ~~((2))~~ (b) Enforcement of ~~((any))~~ an obligation incurred; or

29 ~~((3))~~ (c) A reduction in the amount of the liability on the  
30 judgment.

31 ~~((e))~~ (5) A transfer is not voidable under RCW  
32 19.40.041~~((a)(2))~~ (1)(b) or 19.40.051 if the transfer results from:

33 ~~((1))~~ (a) Termination of a lease upon default by the debtor  
34 when the termination is pursuant to the lease and applicable law; or

35 ~~((2))~~ (b) Enforcement of a security interest in compliance with  
36 Article 9A of Title 62A RCW, other than acceptance of collateral in  
37 full or partial satisfaction of the obligation it secures.

38 ~~((f))~~ (6) A transfer is not voidable under RCW 19.40.051~~((b))~~  
39 (2):

1       ~~((1))~~ (a) To the extent the insider gave new value to or for  
2 the benefit of the debtor after the transfer was made ~~((unless))~~,  
3 except to the extent the new value was secured by a valid lien;

4       ~~((2))~~ (b) If made in the ordinary course of business or  
5 financial affairs of the debtor and the insider; or

6       ~~((3))~~ (c) If made pursuant to a good faith effort to  
7 rehabilitate the debtor and the transfer secured present value given  
8 for that purpose as well as an antecedent debt of the debtor.

9       (7) The following rules determine the burden of proving matters  
10 referred to in this section:

11       (a) A party that seeks to invoke subsection (1), (4), (5), or (6)  
12 of this section has the burden of proving the applicability of that  
13 subsection.

14       (b) Except as otherwise provided in (c) and (d) of this  
15 subsection, the creditor has the burden of proving each applicable  
16 element of subsection (2) or (3) of this section.

17       (c) The transferee has the burden of proving the applicability to  
18 the transferee of subsection (2)(a)(ii)(A) or (B) of this subsection.

19       (d) A party that seeks adjustment under subsection (3) of this  
20 section has the burden of proving the adjustment.

21       (8) The standard of proof required to establish matters referred  
22 to in this section is preponderance of the evidence.

23       **Sec. 9.** RCW 19.40.091 and 1987 c 444 s 9 are each amended to  
24 read as follows:

25       A ~~((cause of action))~~ claim for relief with respect to a  
26 ~~((fraudulent))~~ transfer or obligation under this chapter is  
27 extinguished unless action is brought:

28       ~~((a))~~ (1) Under RCW 19.40.041~~((a))~~(1)(a), ~~((within))~~ not  
29 later than four years after the transfer was made or the obligation  
30 was incurred or, if later, ~~((within))~~ not later than one year after  
31 the transfer or obligation was or could reasonably have been  
32 discovered by the claimant;

33       ~~((b))~~ (2) Under RCW 19.40.041~~((a)(2))~~ (1)(b) or  
34 19.40.051~~((a))~~ (1), ~~((within))~~ not later than four years after the  
35 transfer was made or the obligation was incurred; or

36       ~~((c))~~ (3) Under RCW 19.40.051~~((b))~~ (2), ~~((within))~~ not later  
37 than one year after the transfer was made ~~((or the obligation was~~  
38 ~~incurred))~~.

1        NEW SECTION.    **Sec. 10.**    A new section is added to chapter 19.40  
2    RCW to read as follows:

3        GOVERNING LAW. (1) In this section, the following rules determine  
4    a debtor's location:

5        (a) A debtor who is an individual is located at the individual's  
6    principal residence.

7        (b) A debtor that is an organization and has only one place of  
8    business is located at its place of business.

9        (c) A debtor that is an organization and has more than one place  
10   of business is located at its chief executive office.

11       (2) A claim for relief in the nature of a claim for relief under  
12   this chapter is governed by the local law of the jurisdiction in  
13   which the debtor is located when the transfer is made or the  
14   obligation is incurred.

15       NEW SECTION.    **Sec. 11.**    A new section is added to chapter 19.40  
16    RCW to read as follows:

17       APPLICATION TO SERIES ORGANIZATION. (1) In this section:

18       (a) "Protected series" means an arrangement, however denominated,  
19    created by a series organization that, pursuant to the law under  
20    which the series organization is organized, has the characteristics  
21    set forth in (b) of this subsection.

22       (b) "Series organization" means an organization that, pursuant to  
23    the law under which it is organized, has the following  
24    characteristics:

25       (i) The organic record of the organization provides for creation  
26    by the organization of one or more protected series, however  
27    denominated, with respect to specified property of the organization,  
28    and for records to be maintained for each protected series that  
29    identify the property of or associated with the protected series.

30       (ii) Debt incurred or existing with respect to the activities of,  
31    or property of or associated with, a particular protected series is  
32    enforceable against the property of or associated with the protected  
33    series only, and not against the property of or associated with the  
34    organization or other protected series of the organization.

35       (iii) Debt incurred or existing with respect to the activities or  
36    property of the organization is enforceable against the property of  
37    the organization only, and not against the property of or associated  
38    with a protected series of the organization.

1 (2) A series organization and each protected series of the  
2 organization is a separate person for purposes of this chapter, even  
3 if for other purposes a protected series is not a person separate  
4 from the organization or other protected series of the organization.

5 NEW SECTION. **Sec. 12.** A new section is added to chapter 19.40  
6 RCW to read as follows:

7 RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE  
8 ACT. This chapter modifies, limits, or supersedes the electronic  
9 signatures in global and national commerce act, 15 U.S.C. Sec. 7001  
10 et seq., but does not modify, limit, or supersede section 101(c) of  
11 that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of  
12 any of the notices described in section 103(b) of that act, 15 U.S.C.  
13 Sec. 7003(b).

14 **Sec. 13.** RCW 19.40.900 and 1987 c 444 s 12 are each amended to  
15 read as follows:

16 This chapter, which was formerly cited as the uniform fraudulent  
17 transfer act, may be cited as the uniform ((~~fraudulent transfer~~))  
18 voidable transactions act.

19 NEW SECTION. **Sec. 14.** EFFECT ON PRIOR TRANSFERS AND  
20 OBLIGATIONS. (1) This act applies to a transfer made or obligation  
21 incurred on or after the effective date of this section.

22 (2) This act does not apply to a transfer made or obligation  
23 incurred before the effective date of this section.

24 (3) This act does not apply to a right of action that has accrued  
25 before the effective date of this section.

26 (4) For the purposes of this section, a transfer is made and an  
27 obligation is incurred at the time provided in RCW 19.40.061.

--- END ---