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SUPREME COURT  
STATE OF WASHINGTON

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BY C. J. MERRITT

No. 77689-0

CLERK

SUPREME COURT  
OF THE STATE OF WASHINGTON

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DAVID L. TINGEY,

Petitioner,

v.

LLOYD HAISCH and LUCY HAISCH, husband and wife,

Respondents.

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by

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AMICUS CURIAE BRIEF OF  
ACA INTERNATIONAL

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TABLE OF CONTENTS

	<u>Page</u>
Table of Authorities .....	ii-iii
A. INTRODUCTION .....	1
B. IDENTITY OF AMICUS CURIAE .....	1
C. ISSUES PRESENTED FOR REVIEW .....	3
D. STATEMENT OF THE CASE.....	3
E. ARGUMENT .....	3
(1) <u>Principles of Statutory Interpretation</u> .....	3
(2) <u>The Plain Meaning of RCW 4.16.040(2)</u> .....	4
(3) <u>Construction of RCW 4.16.040(2)</u> .....	6
(4) <u>Public Policy Considerations</u> .....	9
G. CONCLUSION.....	10
Appendix	

TABLE OF AUTHORITIES

Page

Table of Cases

Washington Cases

*Barstad v. Stewart Title Guar. Co., Inc.*, 145 Wn.2d 528,  
39 P.3d 984 (2002).....7

*Bellevue Fire Fighters Local 1604 v. City of Bellevue*,  
100 Wn.2d 748, 675 P.2d 592 (1984).....8

*Bogle & Gates, P.L.L.C. v. Zapel*, 121 Wn. App. 444,  
90 P.3d 703 (2004).....8, 9

*City of Yakima v. Int’l Ass’n of Firefighters*,  
*AFL-CIO, Local 469*, 117 Wn.2d 655,  
818 P.2d 1076 (1991).....7

*Dep’t of Ecology v. Campbell & Gwinn, L.L.C.*,  
146 Wn.2d 1, 43 P.3d 4 (2002).....3

*Gheen v. Constr. Equip. Co.*, 49 Wn.2d 140,  
298 P.2d 852 (1956).....5

*Howlett v. Cheetham*, 17 Wash. 626,  
50 P. 522 (1897).....8

*In re F.D. Processing, Inc.*, 119 Wn.2d 452,  
832 P.2d 1303 (1992).....7

*In re Marriage of Kovacs*, 121 Wn.2d 795,  
854 P.2d 629 (1993).....8

*Spokane County Health Dist. v. Brockett*, 120 Wn.2d 140,  
839 P.2d 324 (1992).....8

*State v. Jacobs*, 154 Wn.2d 596, 115 P.3d 281 (2005).....3, 4

*State v. Pedersen*, 122 Wn. App. 759,  
95 P.3d 385 (2004).....10

*Tingey v. Haisch*, 129 Wn. App. 109,  
117 P.3d 1189 (2005).....2, 4, 10

*Young v. Estate of Snell*, 134 Wn.2d 267,  
948 P.2d 1291 (1997).....7

Statutes

15 U.S.C. § 1692.....2  
Laws of 1989, ch. 38, § 1.....6  
RCW 4.16.040(2)..... *passim*  
RCW 62A.9A-102(a)(2)(A).....5

Other Authorities

Bryan A. Garner, *Black's Law Dictionary* (8<sup>th</sup> ed. 2004).....4, 5  
Final Bill Report, SSB 5213, 1989 sess.....7  
House Bill Report, SSB 5213, 1989 sess.....7, 10  
Marjorie Rombauer, 27 *Wash. Practice* § 5.47 .....5

A. INTRODUCTION

This case is one of statutory interpretation. The 1989 Legislature enacted RCW 4.16.040(2) to provide a longer six-year statute of limitations on balances due on “an account receivable incurred in the ordinary course of business.” The Legislature did not define that term, but it has a well-recognized meaning in financial circles.

Ignoring that well-recognized meaning, the Court of Appeals below confined the reach of the statute to open accounts, contrary to the plain meaning of the statute and the legislature history of RCW 4.16.040(2), so that an attorney could not collect sums due from a client that failed to satisfy billing statements sent to the client.

The Court should construe the statute to apply to accounts receivable incurred in the ordinary course of business.

B. IDENTITY OF AMICUS CURIAE

ACA International (ACA) is a non-profit international trade organization of credit and collection professionals that provides a variety of accounts receivable management services to over one million credit grantors. Headquartered in Minneapolis, Minnesota, ACA serves members in the United States, Canada and fifty-five other countries worldwide. ACA was founded in 1939 and represents more than 5,500 third-party collection agencies, attorneys, credit grantors, debt buyers and

vendor affiliates. ACA members include sole proprietorships, partnerships, and corporations of sizes ranging from small businesses with a few employees to firms with thousands of employees. ACA members employ in excess of 100,000 workers nationally. ACA's mission is to help members serve their communities and meet the challenges created by changing markets through leadership, direction, education and service.

The ACA is an industry leader in educating its members on appropriate collection techniques under the Fair Debt Collection Practices Act, 15 U.S.C. § 1692 *et seq.*, as well as compliance with state-based regulation concerning the collection of debts. Education is a main priority of the ACA. Through high-quality educational opportunities, ACA members do achieve a high degree of compliance with federal, state and local laws. ACA has a staff of more than seventy-five employees and provides ongoing support to all ACA members particularly with regard to complying with credit and collection laws such as the laws at issue before the Washington Supreme Court in this appeal.

*Tingey v. Haisch*, 129 Wn. App. 109, 117 P.3d 1189 (2005) clearly implicates the collection of past due debts in Washington, but also has ramifications beyond its borders. One of the divisions of the ACA is the Members Attorney Program (MAP) which is comprised of hundreds of attorneys who routinely appear in state courts throughout the United States

in an effort to collect past due accounts on behalf of their clients. Routinely, those collection efforts are made by licensed attorneys on behalf of a creditor which has assigned the account to a collection agency or other intermediary. These attorneys are vitally interested in cases involving the collection of accounts receivable.

C. ISSUES PRESENTED FOR REVIEW

ACA acknowledges assignments of error and issues pertaining thereto set forth in the parties' Court of Appeals briefs.

D. STATEMENT OF THE CASE

ACA acknowledges the statements of the case in the Court of Appeals briefs, the Tingey supplemental brief, as well as the recitation of the facts in the Court of Appeals opinion.

E. ARGUMENT

(1) Principles of Statutory Interpretation

The objective of statutory interpretation is to carry out the intent of the Legislature. *State v. Jacobs*, 154 Wn.2d 596, 600, 115 P.3d 281 (2005). Washington courts undertake a two-step analysis to determine the intent of the Legislature in enacting a statute. *Dep't of Ecology v. Campbell & Gwinn, L.L.C.*, 146 Wn.2d 1, 43 P.3d 4 (2002). First, the courts read and interpret the statute to determine its meaning. The courts may look to the language of the statute and context of the statute's

enactment, including what the Legislature had said in “related statutes which disclose legislative intent about the provision in question,” to interpret the particular statute. *Id.* at 11. If the statute’s meaning is plain, that is the end of the inquiry. *Jacobs*, 154 Wn.2d at 600.

If the statute is ambiguous, that is, after interpreting the statute, it is susceptible to two or more reasonable interpretations, the courts may resort to construction of the statute looking to its legislative history and resorting to the canons of statutory construction historically employed by the courts. *Id.* at 12. After such construction efforts, the courts apply the interpretation of the statute that best effectuates the intent of the Legislature.

(2) The Plain Meaning of RCW 4.16.040(2)

Despite the Legislature’s use of the term “account receivable” in RCW 4.16.040(2), the Court of Appeals summarily determined that term was ambiguous, *Tingey*, 129 Wn. App. at 111, apparently relying on meanings given to the term “account receivable” by courts from other jurisdictions, *id.* at 114, and on the expressions in Senate floor debates of two senators, one of whom voted *against* the bill. *Id.* at 116. Then, the Court construed the term “account receivable” to mean an “open account” as that term is defined in *Black’s Law Dictionary* (8<sup>th</sup> ed. 2004). However, the Court of Appeals violated this Court’s statutory interpretation protocol.

The Court of Appeals opinion found ambiguity in RCW 4.16.040(2) where none existed.

Using the context of other, related statutes, an “account receivable” is a plain, well-recognized financial term in Washington law. The Uniform Commercial Code broadly defines accounts to include “any right to payment of a monetary obligation.” RCW 62A.9A-102(a)(2)(A). The Court of Appeals did not address this definition. Similarly, the most recent version of *Black’s Law Dictionary* (8<sup>th</sup> ed. 2004) states an account receivable is:

An account reflecting a balance owed by a debtor; a debt owed by a customer to an enterprise for goods or services.

Bryan A. Garner, *Black’s Law Dictionary* (8<sup>th</sup> ed. 2004) at 18.

Washington law also draws a distinction between “accounts receivable” and “open accounts.” An open account is one in which some item of the contract is not settled by the parties. *Gheen v. Constr. Equip. Co.*, 49 Wn.2d 140, 143, 298 P.2d 852 (1956) (merchandise sold at specific price with definite time for payment is not an open account); Marjorie Rombauer, 27 *Wash. Practice* § 5.47. Haisch’s obligation to Tingey was not an open account.

The plain meaning of RCW 4.16.040(2) is to provide a six-year limitations period for all commercial accounts reflecting a balance owed by the debtor to the creditor.

(3) Construction of RCW 4.16.040(2)<sup>1</sup>

RCW 4.16.040(2) was enacted into law in the 1989 session of the Legislature. Laws of 1989, ch. 38, § 1. Introduced as Senate Bill 5213, the bill initially provided for a six-year limitation period upon a “balance due upon a mutual, open, and current account, the items of which are in writing.” The bill was amended in committee to provide a six-year limitation period “upon an account receivable incurred in the ordinary course of business.” The latter language was the language enacted into law.

The bill reports in the House indicated no one testified against the bill, but it generated a minority report in the Senate Law and Justice Committee. It failed 22-23 in its first vote in the Senate. It passed on reconsideration 30-17. In the House, the chair of the House Judiciary Committee voted against the bill, but it received committee approval and passed the House of Representatives 95-1.

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<sup>1</sup> The declaration of Philip Talmadge containing the legislative records on SB 5213 from the Archives of the Office of the Secretary of State was submitted to the Court with the ACA’s amicus memorandum in support of the petition for review. See Appendix.

The House Bill Report<sup>2</sup> indicated:

The statute of limitations is set at six years for an account receivable incurred in the ordinary course of business. This six-year period applies whether or not the account receivable is based on a written contract.

House Bill Report, SSB 5213, 1989 sess. at 1. Similarly, the Final Bill Report, like the Senate Bill Report, indicates the “statute of limitations is extended to six years for contracts that are based on an account receivable incurred in the ordinary course of business.” Final Bill Report, SSB 5213, 1989 sess. at 1.

The unambiguous purpose of SB 5213 was to *broaden* the circumstances under which commercial debt was subject to a six-year statute of limitations.

Even if the Court of Appeals had properly resorted to consideration the bill’s legislative history, it misinterpreted that history. This Court has often warned that a single legislator’s floor remarks are not enough to establish legislative intent on a measure. *In re F.D. Processing, Inc.*, 119 Wn.2d 452, 461, 832 P.2d 1303 (1992); *City of Yakima v. Int’l Ass’n of Firefighters, AFL-CIO, Local 469*, 117 Wn.2d 655, 677, 818 P.2d 1076 (1991). This is particularly true where those remarks are not those of the bill’s sponsor or the committee chair of the committee that heard the bill.

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<sup>2</sup> Legislative bill reports are generally recognized as indicative of legislative intent on a bill. *Young v. Estate of Snell*, 134 Wn.2d 267, 280, 948 P.2d 1291 (1997); *Barstad v. Stewart Title Guar. Co., Inc.*, 145 Wn.2d 528, 537, 39 P.3d 984 (2002).

*In re Marriage of Kovacs*, 121 Wn.2d 795, 807-08, 854 P.2d 629 (1993).

The remarks of a bill's opponent do not establish the Legislature's intent.

*Spokane County Health Dist. v. Brockett*, 120 Wn.2d 140, 154, 839 P.2d 324 (1992).

Moreover, the Court of Appeals appeared to be unaware in its discussion of the legislative history of SSB 5213 that the original version of the bill, SB 5213, applied to open accounts. The Senate, and later the entire Legislature, *rejected* limiting the scope of the bill to open accounts. The Legislature chose to broaden the bill to all accounts receivable. Sequential drafts of a bill are an important source of legislative history. *Howlett v. Cheetham*, 17 Wash. 626, 636, 50 P. 522 (1897); *Bellevue Fire Fighters Local 1604 v. City of Bellevue*, 100 Wn.2d 748, 750-51, 675 P.2d 592 (1984); *Spokane County Health Dist.*, 120 Wn.2d at 153.

Thus, the Court of Appeals did not give effect to the Legislature's obvious intent to broaden the circumstances in which a six-year limitation period applied to actions to recover for commercial debt.

The better interpretation of RCW 4.16.040(2) is found in *Bogle & Gates, P.L.L.C. v. Zapel*, 121 Wn. App. 444, 90 P.3d 703 (2004). In *Bogle & Gates*, a law firm brought an action to recover fees allegedly due from an individual client. The bulk of the case related to whether a retention letter sent by the firm at the outset of the attorney-client relationship was a

sufficient writing to apply the six-year limitation period to the debt. The Court held it was not because the individual client did not express agreement with the terms of the letter. In effect, the firm's letter was merely a memorial of its belief; it did not establish an agreement with the individual client.

The Court of Appeals in *Bogle & Gates*, however, recognized the firm presented an alternative argument under RCW 4.16.040(2). The Court further recognized where the law firm sent billing invoices to an individual, the six-year limitation period of RCW 4.16.040(2) applied. *Bogle & Gates*, 121 Wn. App. at 707. The Court remanded the case to the trial court to allow the firm to prove the individual client, as opposed to his corporate entity, was liable to the firm for the fees.

(4) Public Policy Considerations

Businesses in Washington frequently enter into oral agreements for services with individuals and other businesses. Those businesses generate accounts receivable when the individuals or businesses do not pay.

The 1989 Legislature was cognizant of the plight of those businesses, extending the limitations period for this subset of debts from the three years for oral contracts to the longer period of six years to facilitate collection of legitimate commercial debts. The Legislature

nowhere indicated it intended to confine such a remedy to actions on open accounts.

Businesses who, in effect, extend credit to individual and business debtors should have appropriate collection tools available to them to collect that debt without resort to such extreme measures as factoring, the sale of accounts receivable at a discounted price. *State v. Pedersen*, 122 Wn. App. 759, 762 n.1, 95 P.3d 385 (2004). As noted in the testimony for the bill in the House committee, the shorter limitation period “can penalize the unsophisticated small business owner who may carry an account on the business’s [sic] books for several years.” House Bill Report, SSB 5213, 1989 sess. at 2.

#### G. CONCLUSION

The Court of Appeals went far beyond the “context” of SB 5213 to discern an ambiguity, where none existed. The term “account receivable” is plain in its meaning. Based on the “ambiguity” it discerned, the Court of Appeals then decided the Legislature really did not intend to broaden the circumstances under which debt was subject to a six-year limitation period, ignoring the legislative bill reports. The *Tingey* court misconstrued the statutory language, failing to give effect to the Legislature’s intent.

This Court should interpret RCW 4.16.040(2) to mean that there is a six-year statute of limitations on actions to collect on all commercial accounts reflecting a balance owed by the debtor to the creditor. The Court should reverse the Court of Appeals decision and reinstate the judgment in Tingey's favor.

DATED this 8<sup>th</sup> day of August, 2006.

Respectfully submitted,



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# APPENDIX

No. 77689-0

SUPREME COURT  
OF THE STATE OF WASHINGTON

DAVID L. TINGEY,

Petitioner,

v.

LLOYD HAISCH and LUCY  
HAISCH, husband and wife,

Respondents.

DECLARATION OF  
PHILIP A. TALMADGE

Philip A. Talmadge declares:

1. I am over the age of eighteen years, competent to testify, and familiar with the facts herein.
2. I contacted the Secretary of State's archives office to obtain the legislative history materials on SB 5213.
3. The archives sent the attached legislative history materials pertaining to SB 5213.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED this 15 day of November, 2005, at Tukwila, Washington.

*Anne E. Melley* WSBA 22937 for  
Philip A. Talmadge, WSBA #6973

Declaration of Philip A. Talmadge - 1

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As of: September 19, 1990 08/44/18.98

ALL ACTIONS; SUBSTITUTE SENATE BILL

5213 Stat of limitn/charge accts

-1989 REGULAR SESSION-

Feb 14 Majority; 1st substitute bill be substituted, do pass.  
Minority; do not pass.

Feb 15 Passed to Rules committee for second reading.

Feb 23 Made eligible to be placed on second reading.

Mar 1 Placed on second reading by Rules committee.

Mar 2 1st substitute bill substituted.  
Rules suspended.

Placed on third reading.

Third reading, failed to pass; Yeas, 22; nays, 23;  
absent, 4.

Notice given to reconsider vote on third reading.

Mar 3 Vote on third reading will be reconsidered.

Third reading, passed; Yeas, 30; nays, 17; absent, 2.

-HOUSE-

Mar 8 First reading, referred to Judiciary.

Mar 30 JUD - Majority; do pass.

Mar 31 Passed to Rules committee for second reading.

Apr 3 Made eligible to be placed on second reading.

Apr 4 Placed on second reading by Rules committee.

Apr 5 Rules suspended.

Placed on third reading.

Third reading, passed; Yeas, 95; nays, 1; absent, 2.

-SENATE-

Apr 6 President signed.

-HOUSE-

Apr 11 Speaker signed.

-OTHER THAN LEGISLATIVE ACTION-

Apr 12 Delivered to Governor.

Apr 18 Governor signed.

Chapter 38, 1989 Laws

ALL ACTIONS; SENATE BILL

5213 Stat of limitn/charge accts

-1989 REGULAR SESSION-

Jan 18 First reading, referred to Law and Justice.

Feb 14 Majority; 1st substitute bill be substituted, do pass.  
Minority; do not pass.

Feb 15 Passed to Rules committee for second reading.

Feb 23 Made eligible to be placed on second reading.

Mar 1 Placed on second reading by Rules committee.

Mar 2 1st substitute bill substituted.

REPORT END

SENATE BILL REPORT

SB 5213

BY Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel,  
Thorsness and Newhouse

Extending the statute of limitations on written charge accounts.

Senate Committee on Law & Justice

Senate Hearing Date(s): January 31, 1989

Senate Staff: Dick Armstrong (786-7460)

AS OF JANUARY 25, 1989

BACKGROUND:

The period of time to commence an action on contracts is limited by statute. The statute of limitations for actions based on a written agreement is six years. The statute of limitations for actions based on a contract which is not in writing is three years.

Persons engaged in many commercial businesses oftentimes do not enter into a written contract with customers. It is suggested that the statute of limitations should be extended to six years for all actions based on an open and current account, which is in writing.

SUMMARY:

The statute of limitations is extended to six years for contracts that are based on an open and current account, which is in writing.

Appropriation: none

Revenue: none

Fiscal Note: none requested

SENATE BILL REPORT

SB 5213

BY Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel,  
Thorsness and Newhouse

Extending the statute of limitations on written charge accounts.

Senate Committee on Law & Justice

Senate Hearing Date(s): January 31, 1989; February 13, 1989

Majority Report: That Substitute Senate Bill No. 5213 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pullen, Chairman; McCaslin, Vice Chairman; Madsen, Nelson, Newhouse, Thorsness.

Minority Report: Do not pass.

Signed by Senators Niemi, Talmadge.

Senate Staff: Dick Armstrong (786-7460)  
February 13, 1989

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, FEBRUARY 13, 1989

BACKGROUND:

The period of time to commence an action on contracts is limited by statute. The statute of limitations for actions based on a written agreement is six years. The statute of limitations for actions based on a contract which is not in writing is three years.

Persons engaged in many commercial businesses oftentimes do not enter into a written contract with customers. It is suggested that the statute of limitations should be extended to six years for all actions based on an open and current account, which is in writing.

SUMMARY:

The statute of limitations is extended to six years for contracts that are based on an open and current account, which is in writing.

EFFECT OF PROPOSED SUBSTITUTE:

The statute of limitations is extended to six years for contracts that are based on an account receivable incurred in the ordinary course of business.

Appropriation: none

Revenue: none

Fiscal Note: none requested

Senate Committee - Testified: Ben Wood, Benita McCormick, Washington  
Collectors Association (pro)

SENATE BILL NO. 5218

State of Washington

51st Legislature.

1989 Regular Session

by Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel,  
Thorsness and Newhouse

Read first time 1/18/89 and referred to Committee on Law & Justice.

1 AN ACT Relating to statutes of limitation; and amending RCW  
2 4.16.040 and 4.16.080.

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

4 Sec. 1. Section 3, page 363, Laws of 1854 as last amended by  
5 section 2, chapter 105, Laws of 1980 and RCW 4.16.040 are each  
6 amended to read as follows:

7 Within six years:

8 (1) An action upon a contract in writing, or liability express or  
9 implied arising out of a written agreement.

10 (2) A balance due upon a mutual, open, and current account, the  
11 items of which are in writing.

12 (3) An action for the rents and profits or for the use and  
13 occupation of real estate.

14 Sec. 2. Section 4, page 363, Laws of 1854 as last amended by  
15 section 1, chapter 129, Laws of 1937 and RCW 4.16.080 are each  
16 amended to read as follows:

17 Within three years:

18 (1) An action for waste or trespass upon real property;

19 (2) An action for taking, detaining, or injuring personal  
20 property, including an action for the specific recovery thereof, or  
21 for any other injury to the person or rights of another not  
22 hereinafter enumerated;

23 (3) Except as provided in RCW 4.16.040(2), an action upon a  
24 contract or liability, express or implied, which is not in writing,  
25 and does not arise out of any written instrument;

26 (4) An action for relief upon the ground of fraud, the cause of  
27 action in such case not to be deemed to have accrued until the  
28 discovery by the aggrieved party of the facts constituting the fraud;

Sec. 2

1 (5) An action against a sheriff, coroner, or constable upon a  
2 liability incurred by the doing of an act in his official capacity  
3 and by virtue of his office, or by the omission of an official duty,  
4 including the nonpayment of money collected upon an execution; but  
5 this subdivision shall not apply to action for an escape;

6 (6) An action against an officer charged with misappropriation or  
7 a failure to properly account for public funds intrusted to his  
8 custody; an action upon a statute for penalty or forfeiture, where an  
9 action is given to the party aggrieved, or to such party and the  
10 state, except when the statute imposing it prescribed a different  
11 limitation: PROVIDED, HOWEVER, The cause of action for such  
12 misappropriation, penalty or forfeiture, whether for acts heretofore  
13 or hereafter done, and regardless of lapse of time or existing  
14 statutes of limitations, or the bar thereof, even though complete,  
15 shall not be deemed to accrue or to have accrued until discovery by  
16 the aggrieved party of the act or acts from which such liability has  
17 arisen or shall arise, and such liability, whether for acts  
18 heretofore or hereafter done, and regardless of lapse of time or  
19 existing statute of limitation, or the bar thereof, even though  
20 complete, shall exist and be enforceable for three years after  
21 discovery by aggrieved party of the act or acts from which such  
22 liability has arisen or shall arise.

23 (7) An action for seduction and breach of promise to marry.

SUBSTITUTE SENATE BILL NO. 5213

State of Washington

51st Legislature

1989 Regular Session

by Committee on Law & Justice (originally sponsored by Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel, Thorsness and Newhouse)

Read first time 2/15/89.

1 AN ACT Relating to statutes of limitation; and amending RCW  
2 4.16.040 and 4.16.080.

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

4 Sec. 1. Section 3, page 363, Laws of 1854 as last amended by  
5 section 2, chapter 105, Laws of 1980 and RCW 4.16.040 are each  
6 amended to read as follows:

7 The following actions shall be commenced within six years:

8 (1) An action upon a contract in writing, or liability express or  
9 implied arising out of a written agreement.

10 (2) An action upon an account receivable incurred in the ordinary  
11 course of business.

12 (3) An action for the rents and profits or for the use and  
13 occupation of real estate.

14 Sec. 2. Section 4, page 363, Laws of 1854 as last amended by  
15 section 1, chapter 127, Laws of 1937 and RCW 4.16.080 are each  
16 amended to read as follows:

17 The following actions shall be commenced within three years:

18 (1) An action for waste or trespass upon real property;

19 (2) An action for taking, detaining, or injuring personal  
20 property, including an action for the specific recovery thereof, or  
21 for any other injury to the person or rights of another not  
22 hereinafter enumerated:

23 (3) Except as provided in RCW 4.16.040(2), an action upon a  
24 contract or liability, express or implied, which is not in writing,  
25 and does not arise out of any written instrument;

26 (4) An action for relief upon the ground of fraud, the cause of  
27 action in such case not to be deemed to have accrued until the  
28 discovery by the aggrieved party of the facts constituting the fraud;

Sec. 2

1 (5) An action against a sheriff, coroner, or constable upon a  
2 liability incurred by the doing of an act in his official capacity  
3 and by virtue of his office, or by the omission of an official duty,  
4 including the nonpayment of money collected upon an execution; but  
5 this subdivision shall not apply to action for an escape;

6 (6) An action against an officer charged with misappropriation or  
7 a failure to properly account for public funds intrusted to his  
8 custody; an action upon a statute for penalty or forfeiture, where an  
9 action is given to the party aggrieved, or to such party and the  
10 state, except when the statute imposing it prescribed a different  
11 limitation: PROVIDED, HOWEVER, The cause of action for such  
12 misappropriation, penalty or forfeiture, whether for acts heretofore  
13 or hereafter done, and regardless of lapse of time or existing  
14 statutes of limitations, or the bar thereof, even though complete,  
15 shall not be deemed to accrue or to have accrued until discovery by  
16 the aggrieved party of the act or acts from which such liability has  
17 arisen or shall arise, and such liability, whether for acts  
18 heretofore or hereafter done, and regardless of lapse of time or  
19 existing statute of limitation, or the bar thereof, even though  
20 complete, shall exist and be enforceable for three years after  
21 discovery by aggrieved party of the act or acts from which such  
22 liability has arisen or shall arise.

23 (~~((7)-An-action-for-seduction-and-breach-of-promise-to-marry-))~~)

SENATE BILL REPORT

SSB 5213

BY Senate Committee on Law & Justice (originally sponsored by Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel, Thorsness and Newhouse)

Extending the statute of limitations on written charge accounts.

Senate Committee on Law & Justice

Senate Hearing Date(s): January 31, 1989; February 13, 1989

Majority Report: That Substitute Senate Bill No. 5213 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pullen, Chairman; McCaslin, Vice Chairman; Madsen, Nelson, Newhouse, Thorsness.

Minority Report: Do not pass.

Signed by Senators Niemi, Talmadge.

Senate Staff: Dick Armstrong (786-7460)  
March 6, 1989

AS PASSED SENATE, MARCH 3, 1989

BACKGROUND:

The period of time to commence an action on contracts is limited by statute. The statute of limitations for actions based on a written agreement is six years. The statute of limitations for actions based on a contract which is not in writing is three years.

Persons engaged in many commercial businesses oftentimes do not enter into a written contract with customers. It is suggested that the statute of limitations should be extended to six years for all actions based on an account receivable.

SUMMARY:

The statute of limitations is extended to six years for contracts that are based on an account receivable incurred in the ordinary course of business.

Appropriation: none

Revenue: none

Fiscal Note: none requested

Senate Committee - Testified: Ben Wood, Benita McCormick, Washington  
Collectors Association (pro)

FINAL BILL REPORT

SSB 5213

BY Senate Committee on Law & Justice (originally sponsored by  
Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel,  
Thorsness and Newhouse)

Extending the statute of limitations on written charge accounts.

Senate Committee on Law & Justice

House Committee on Judiciary

AS PASSED LEGISLATURE

BACKGROUND:

The period of time to commence an action on contracts is limited by statute. The statute of limitations for actions based on a written agreement is six years. The statute of limitations for actions based on a contract which is not in writing is three years.

Persons engaged in many commercial businesses oftentimes do not enter into a written contract with customers. It is suggested that the statute of limitations should be extended to six years for all actions based on an account receivable.

SUMMARY:

The statute of limitations is extended to six years for contracts that are based on an account receivable incurred in the ordinary course of business.

VOTES ON FINAL PASSAGE:

Senate	30	17
House	95	1

EFFECTIVE: 90 days after adjournment of 1989 Regular Session

FINAL BILL REPORT

SSB 5213

C 38 L 89

BY Senate Committee on Law & Justice (originally sponsored by  
Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel,  
Thorsness and Newhouse)

Extending the statute of limitations on written charge accounts.

Senate Committee on Law & Justice

House Committee on Judiciary

SYNOPSIS AS ENACTED

BACKGROUND:

The period of time to commence an action on contracts is limited by statute. The statute of limitations for actions based on a written agreement is six years. The statute of limitations for actions based on a contract which is not in writing is three years.

Persons engaged in many commercial businesses oftentimes do not enter into a written contract with customers. It is suggested that the statute of limitations should be extended to six years for all actions based on an account receivable.

SUMMARY:

The statute of limitations is extended to six years for contracts that are based on an account receivable incurred in the ordinary course of business.

VOTES ON FINAL PASSAGE:

Senate	30	17
House	95	1

EFFECTIVE: July 23, 1989

REPORT OF STANDING COMMITTEE

2/13/89

SENATE BILL

NO. 5213

(Type in brief title exactly as it appears on back cover of original bill)  
Extending the statute of limitations on written charge accounts.

(reported by Committee on Law and Justice): (11)

Recommendation - Majority

Do pass

Do pass as amended

That Substitute Senate Bill No. 5213 be substituted therefor, and the substitute bill do pass.

Other

- Pullen, Chair
- McCaslin, Vice Chair
- Hayner
- Madsen
- Nelson
- Newhouse
- Niemi
- Rasmussen
- Rinehart
- Talmadge
- Thorsness

*Kent Pullen*  
Kent Pullen, Chair

*Bob McCaslin*  
Bob McCaslin, Vice Chair

Jeannette Hayner

*Ken Madsen*  
Ken Madsen

*Gary A. Nelson*  
Gary A. Nelson

*Irv Newhouse*  
Irv Newhouse

Janice Niemi

A. L. "Slim" Rasmussen

Nita Rinehart

Phil Talmadge

*Leo K. Thorsness*  
Leo K. Thorsness

Passed to Committee on Rules for Second Reading

HOUSE BILL ANALYSIS

SSB 5213

BY Senate Committee on Law & Justice (originally sponsored by Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel, Thorsness and Newhouse)

Extending the statute of limitations on written charge accounts.

House Committee on Judiciary

House Staff: Bill Perry (786-7123)

**BACKGROUND:**

The period of time to commence an action on contracts is limited by statute. The statute of limitations for actions based on a written agreement is six years. The statute of limitations for actions based on a contract which is not in writing is three years. The statute of limitations for actions based on seduction or breach of promise is three years.

All actions not otherwise specifically provided for are subject to a two years statute of limitations.

**SUMMARY:**

The statute of limitations is set at six years for an account receivable incurred in the ordinary course of business. This six-year period applies whether or not the account receivable is based on a written contract.

The three-year limitation period is eliminated for actions based on seduction and breach of promise to marry.

Fiscal Note: Not Requested.

HOUSE BILL REPORT

SSB 5213

BY Senate Committee on Law & Justice (originally sponsored by Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel, Thorsness and Newhouse)

Extending the statute of limitations on written charge accounts.

House Committee on Judiciary

Majority Report: Do pass. (16)  
Signed by Representatives Crane, Vice Chair; Padden, Ranking Republican Member, Belcher, Brough, Dellwo, Hargrove, Inslee, P. King, R. Meyers, Moyer, H. Myers, Patrick, Scott, D. Sommers, Tate and Wineberry.

House Staff: Bill Perry (786-7123)

AS PASSED HOUSE APRIL 5, 1989

**BACKGROUND:**

The period of time to commence an action on contracts is limited by statute. The statute of limitations for actions based on a written agreement is six years. The statute of limitations for actions based on a contract which is not in writing is three years. The statute of limitations for actions based on seduction or breach of promise is three years.

All actions not otherwise specifically provided for are subject to a two years statute of limitations.

**SUMMARY:**

The statute of limitations is set at six years for an account receivable incurred in the ordinary course of business. This six-year period applies whether or not the account receivable is based on a written contract.

The three-year limitation period is eliminated for actions based on seduction and breach of promise to marry.

Fiscal Note: Not Requested.

House Committee - Testified For Original Measure in Committee: Harry Lloyd, Seattle-King County Inter Credit Association; Randy Durham, Washington Retail Association; Bruce Davis, Credit Association of Washington; Will George, District 10 International Credit Association;

Jim Brady, Washington Collectors Association; Ben Wood, Jr., S.C.A. Credit, Inc.

House Committee - Testified Against Original Measure in Committee:  
None Presented.

House Committee - Testimony For: The difference in the statute of limitations between written and unwritten contracts can penalize the unsophisticated small business owner who may carry an account on the business's books for several years.

House Committee - Testimony Against: None Presented.



Appropriation: \_\_\_\_\_  
Revenue: \_\_\_\_\_  
Fiscal Note: NA

HOUSE BILL REPORT

SSB 5213

BY Senate Committee on Law & Justice (originally sponsored by Senators Pullen, Moore, Madsen, Nelson, McCaslin, Bluechel, Thorsness and Newhouse)

Extending the statute of limitations on written charge accounts.

House Committee on Judiciary

Majority Report: Do pass. (16)  
Signed by Representatives Crane, Vice Chair; Padden, Ranking Republican Member, Belcher, Brough, Dellwo, Hargrove, Inslee, P. King, R. Meyers, Moyer, H. Myers, Patrick, Scott, D. Sommers, Tate and Wineberry.

House Staff: Bill Perry (786-7123)

AS REPORTED BY COMMITTEE ON JUDICIARY MARCH 30, 1989

BACKGROUND:

The period of time to commence an action on contracts is limited by statute. The statute of limitations for actions based on a written agreement is six years. The statute of limitations for actions based on a contract which is not in writing is three years. The statute of limitations for actions based on seduction or breach of promise is three years.

All actions not otherwise specifically provided for are subject to a two years statute of limitations.

SUMMARY:

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The three-year limitation period is eliminated for actions based on seduction and breath of promise to marry.

Fiscal Note: Not Requested.

House Committee - Testified For Original Measure in Committee: Harry Lloyd, Seattle-King County Inter Credit Association; Randy Durham,

Washington Retail Association; Bruce Davis, Credit Association of Washington; Will George, District 10 International Credit Association; Jim Brady, Washington Collectors Association; Ben Wood, Jr., S.C.A. Credit, Inc.

House Committee - Testified Against Original Measure in Committee:  
None Presented.

House Committee - Testimony For: The difference in the statute of limitations between written and unwritten contracts can penalize the unsophisticated small business owner who may carry an account on the business's books for several years.

House Committee - Testimony Against: None Presented.

# Report of Standing Committee

HOUSE OF REPRESENTATIVES  
Olympia, Washington

3/30/89  
(date)

SUBSTITUTE SENATE BILL

No. 5213

(Type in House or Senate Bill, Resolution, or Memorial)

Print Sponsor \_\_\_\_\_ Committee on Law & Justice

Extending the statute of limitations on written charge accounts.  
(Type in brief title exactly as it appears on back cover of original bill)

reported by Committee on \_\_\_\_\_ JUDICIARY (19)

- MAJORITY recommendation: Do Pass.
- MAJORITY recommendation: The substitute bill be substituted therefor and the substitute bill do pass.
- MAJORITY recommendation: Do pass with the following amendment(s):

Signed by  
Representatives

(16)

\_\_\_\_\_  
Chair  
CRANE  
\_\_\_\_\_  
Vice Chair  
PADDEN Ranking Republican Member  
BELCHER  
BROUGH  
DELLINO  
HARGROVE  
KING, P.  
LOCKE

\_\_\_\_\_  
MEYERS, R.  
MOYER  
MYERS, R. I.  
PATRICK  
SCOTT  
SOMMERS, P.  
TATE  
WINEBERRY

ATTACHMENT: Committee Roll Call Vote

Check here if Minority Report Requested (see back)

DECLARATION OF SERVICE/MAILING

On said day below I deposited in the U. S. mail true and accurate copies of these documents: Amicus Curiae Brief of ACA International, and Motion for Leave to Submit an Amicus Curiae Brief of ACA International to the following:

David L. Tingey  
15 South Grady Way, Suite 336  
Renton, WA 98055

Harold Moberg  
607 East Riviera Avenue  
Moses Lake, WA 98837

Originals filed via electronically supreme@courts.wa.gov with:  
Supreme Court of Washington  
Clerk's Office

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct.

DATED: August, 8, 2006, at Tukwila, Washington.

*Christine Jones*

Christine Jones  
Legal Assistant  
Talmadge Law Group PLLC

FILED AS ATTACHMENT  
TO E-MAIL

CLERK

BY C. J. MERRITT

2006 AUG - 8 P 12:18

RECEIVED  
SUPREME COURT  
STATE OF WASHINGTON

DECLARATION