

SENATE BILL REPORT

SHB 1797

AS REPORTED BY COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE,
FEBRUARY 28, 1992

Brief Description: Adopting the Uniform Commercial Code article on leases.

SPONSORS: House Committee on Financial Institutions & Insurance (originally sponsored by Representative Appelwick)

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Majority Report: Do pass.

Signed by Senators von Reichbauer, Chairman; Erwin, Vice Chairman; McCaslin, Moore, Pelz, Rasmussen, Sellar, Vognild, and West.

Staff: Benson Porter (786-7470)

Hearing Dates: February 27, 1992; February 28, 1992

BACKGROUND:

In 1985, the National Conference of Commissioners on Uniform State Laws approved a Uniform Personal Property Leasing Act and recommended its adoption by the states. Two years later the conference substantially modified the act to treat all leases in a manner similar to the Uniform Commercial Code's (UCC) treatment of sales transactions. The conference, along with the editorial board for the UCC and the American Law Institute, recommended adoption of a new UCC article governing leases.

Although Washington statutes contain several references to leases, no statute comprehensively addresses leases and the business of leasing.

SUMMARY:

A new article governing lease transactions is added to the state Uniform Commercial Code. The new article defines various types of leases and contains five parts addressing the formation and construction of lease contracts, effect of lease contracts, performance of lease contracts, and default under lease contracts. Conforming amendments are made to other articles in the UCC.

Appropriation: none

Revenue: none

Fiscal Note: none requested

Effective Date: July 1, 1993

TESTIMONY FOR:

The Uniform Law Commission supports the new UCC article on leases.

TESTIMONY AGAINST: None

TESTIFIED: Marlin Appelwick, Unif. Legis. Comm. (pro); Trevor Sandison, WA Bankers (pro); John Fattorini, State Bar (pro)