

support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate January 14, 1947.

Passed the House January 16, 1947.

Approved by the Governor January 17, 1947.

CHAPTER 8.

[H. B. 77, Session of 1945.]

ASSIGNMENT OF ACCOUNTS RECEIVABLE.

AN ACT relating to the Assignment of Accounts Receivable without requiring notice to the debtors thereon, providing for the filing of notice of assignment, and prescribing the rights of parties with respect to such assignments.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. Definitions. In this act:

"Account" or "Account Receivable."

(1) "Account" or "Account Receivable" means an open book account, mutual account, or account stated, due or to become due, and not represented by a judgment, note, draft, acceptance, or other similar instrument for the payment of money; it includes rights under an unperformed contract written or oral for work, goods or services which in the regular course will result in an account receivable; it excludes conditional sales contracts.

"Assignment."

(2) "Assignment" shall include any transfer, pledge, mortgage or sale of an account.

"Creditor."

(3) "Creditor" means a person having any claim, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent.

"Debt."

(4) "Debt" means the indebtedness owing on an account.

"Debtor."

(5) "Debtor" means any person by whom an account is owing to the assignor.

"Filing Officer."

(6) "Filing Officer" means the Secretary of State.

Duties of
filing officer.

SEC. 4. It shall be the duty of the filing officer to mark each notice filed with a consecutive file number and with the date and hour of filing, and to note and index the filing in a suitable alphabetical index according to the name of the assignor and containing a notation of assignor's address as given in the notice. The fee for such filing shall be one dollar (\$1). It shall be the duty of the filing officer to deliver to or mail to the person filing such notice a receipt giving the filing number and date and hour of filing.

Filing fee.

What
constitutes
filing.

SEC. 5. Presentation for filing of any such notice and payment of the filing fee shall constitute filing under this act.

When notice
no longer
effective.

SEC. 6. Any such notice filed pursuant to this act shall be ineffective after three years from the date of filing, except as to accounts theretofore assigned while such notice was in effect. At any time before expiration of the effectiveness of the original or any subsequent filing, a like notice, signed by the assignor and the assignee or an affidavit by the assignee alone, setting out the information required by section 3 of this act, may be filed in like manner as the original filing. Any filing of such further notice or affidavit shall be effective in like manner and for a like period as an original filing. It shall be the duty of the filing officer to mark, file and index the further notice or affidavit in like manner as the original.

New notice.

Cancellation
of notice.

SEC. 7. Any such notice filed hereunder may be cancelled by filing with the filing officer a certificate executed by the assignee reciting—(1) the date of the notice, (2) the date of the filing thereof, (3) the file number thereof, (4) the names of the parties thereto, and (5) a statement that the notice is cancelled. The filing officer shall file such certificate without charge and shall write the word "cancelled" with the date, in the index in which the notice is entered.

In the event of an assignment as security, then upon payment or satisfaction of the obligation for which the accounts were assigned as security, and upon written demand by the assignor, the assignee shall deliver to the assignor such a certificate.

SEC. 8. The assignor of an account shall be a trustee for the assignee of the proceeds of the account and of any of the property sold, which is returned to or recovered by the assignor. Irrespective of acquiescence, consent or permission by the assignee, no act or omission, (including the exercise of dominion and control) by the assignor with respect to an assigned account, the proceeds thereof, or goods sold and returned, shall invalidate the right or lien of the assignee upon any balance remaining owing on any such account or on any other assigned account.

Assignor trustee for assignee.

The rights of an assignee upon property so held in trust shall be superior to the rights of all present and future creditors of the assignor and subsequent purchasers of the property, when such property is set aside or designated in a manner indicating that the assignee has an interest therein.

Rights of assignee.

SEC. 9. Priority among assignees of the same account having effective and uncanceled notices on file shall be governed by the respective dates of the assignments made under said notices.

Priority of assignees.

SEC. 10. It shall be the duty of any assignee who has on file an effective and uncanceled notice of assignment to furnish such information relative to assignments of accounts as the assignor may in writing direct.

Assignee must inform assignor.

SEC. 11. The provisions of this act

(a) Shall not affect the validity of an assignment as between the parties thereto;

(b) Shall not be applicable to any assignment made for the benefit of all of the assignor's creditors generally.

Assignments not affected by this act.

Prior assignments not affected.

SEC. 12. The provisions of this act shall control except as to assignments made before this act takes effect.

Passed the House February 6, 1945.

Passed the Senate March 4, 1945.

Vetoed by the Governor March 19, 1945.

Passed the House notwithstanding veto of the Governor January 14, 1947.

Passed the Senate notwithstanding veto of the Governor January 15, 1947.

CHAPTER 9.

[S. B. 11.]

DEFICIENCY APPROPRIATION FROM HAY AND GRAIN INSPECTION FUND.

AN ACT appropriating one hundred thousand dollars (\$100,000) for the Department of Agriculture from the grain and hay inspection fund, and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

Deficiency appropriation to Department of Agriculture.

SECTION 1. To provide for a deficit in the operation of the grain and hay inspection division during the present biennium due to extraordinary conditions, there is hereby appropriated for the department of agriculture from the grain and hay inspection fund the sum of one hundred thousand dollars (\$100,000) for salaries, wages and operations, or so much thereof as may be necessary.

Emergency.

SEC. 2. This act is necessary for the immediate support of the state government and its existing public institutions and shall take effect immediately.

Passed the Senate January 21, 1947.

Passed the House January 28, 1947.

Approved by the Governor February 3, 1947.