

CHAPTER 262.

[ H. B. 422. ]

COMMISSION MERCHANTS—BONDS—EXCLUSIONS FROM LAW.

AN ACT relating to commission merchants; amending section 20.12.020, chapter 14, Laws of 1955 and RCW 20.12.020, and section 20.12.030, chapter 14, Laws of 1955 and RCW 20.12.030, and section 20.08.050, chapter 14, Laws of 1955 and RCW 20.08.050; and section 20.04.120, chapter 14, Laws of 1955 and RCW 20.04.120; and repealing section 20.12.010, chapter 14, Laws of 1955 and RCW 20.12.010.

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

Amendment. SECTION 1. Section 20.12.020, chapter 14, Laws of 1955 and RCW 20.12.020 are each amended to read as follows:

Bond required. (1) Before any commission merchant and credit buyer's license shall be issued, every applicant therefor shall execute and deliver to the director a substantial bond in the sum of not more than ten thousand dollars, as may be determined by the director, but in no case less than the sum of five thousand dollars, and with surety satisfactory to the director.

Bonds of standard form approved by director. (2) All such bonds shall be of a standard form as to terms and conditions, approved by the director, and they shall be conditioned for faithful and correct accounting for, and handling of, agricultural products received, provide for the payment to the consignor or vendor of all money or things of value received for goods consigned, and to secure the consignor or vendor against all fraudulent acts of the commission merchant and credit buyer licensee in the resale or the handling of goods of the consignor or vendor. The total liability of the surety upon the bond shall be limited to the face of the bond, and when claims by consignors or vendors exceed the face of the bond, recoveries under the bond shall be prorated. However, it shall not be necessary for any consignor or vendor suing on the bond to join

Liability of surety limited to face of bond.

other consignors or vendors as parties to the action, and the claim of prorating shall be a matter of defense and the burden of establishing the pro rata shall be on the surety. Such bond shall be subject to cancellation and liability thereunder may be terminated by the surety by the service of a notice of its intention so to do upon the director at Olympia, and after thirty days from the service of such notice, the surety shall be released from any and all liability accruing thereafter.

Claim of prorating, matter of defense. Bond subject to cancellation.

SEC. 2. Section 20.12.030, chapter 14, Laws of 1955 and RCW 20.12.030 are each amended to read as follows: Amendment.

An action may be brought by the director or a consignor or a vendor on the bond furnished by a commission merchant and credit buyer and recovery may be had against the commission merchant and credit buyer and the surety on the bond for the amount due such consignor or vendor. In such action, the court shall allow the consignor or vendor a reasonable attorney's fee. Actions.  
  
Allow reasonable attorney's fees.

SEC. 3. Section 20.08.050, chapter 14, Laws of 1955 and RCW 20.08.050 are each amended to read as follows: Amendment.

If an applicant is applying for a license to do a business in agricultural products as a cash buyer, and no part of his business is to be conducted or carried on as a commission merchant and credit buyer, the director shall issue to such applicant, on payment of twenty-five dollars, a cash buyer's license entitling him to conduct the business of purchasing agricultural products for the purpose of processing or resale at the place or places named in the application: *Provided*, That should any or all of such applicant's business include the purchase for resale of any livestock, cattle, horses, mules, swine, sheep, goats, or any hay, grain, or straw, such applicant before being issued a license shall be re- Cash buyer's license.  
  
Bond required.

quired to execute and deliver to the director a substantial bond in a sum not to exceed ten thousand dollars nor less than two thousand dollars as determined by the director, and with surety satisfactory to the director. Such bond shall be governed in all respects by the terms of RCW 20.12.020, 20.12.030 and 20.12.040, relating to bonds for commission merchants and credit buyers.

Amendment.

SEC. 4. Section 20.04.120, chapter 14, Laws of 1955 and RCW 20.04.120 are each amended to read as follows:

Provisions of title no application.

The provisions of this title shall not apply to any person who sells exclusively his own produce as the producer thereof, nor to any retail merchant as defined herein, nor to cooperative marketing associations or federations incorporated under, or whose articles of incorporation and bylaws are equivalent to the requirements of, chapter 19 of the session laws of 1913, as amended (Chapter 23.56 RCW), or chapter 115 of the session laws of 1921, as amended (Chapter 24.32 RCW). Nor shall they apply to any warehouseman or grain dealer licensed under the state grain warehouse acts with respect to his operations as such licensee; nor to any nurseryman who is required to be licensed under the horticultural laws of the state with respect to his operations as such licensee; nor to any processor or dealer licensed under the now existing dairy laws of the state with respect to his operations as such licensee.

Repeal.

SEC. 5. Section 20.12.010, chapter 14, Laws of 1955 and RCW 20.12.010 are each repealed.

Passed the House March 8, 1955.

Passed the Senate March 7, 1955.

Approved by the Governer March 18, 1955.