

burden on the governmental agency, particularly at the local level. Also overlooked is the basic premise that the cost of the environmental impact statement should be borne not by the public but by the party whose proposed action would impact the environment. Accordingly, I have vetoed the referenced item. Veto Message

Section 7, which provides an elaborate legislative review procedure over guidelines, rules and regulations adopted by state agencies under the State Environmental Policy Act, violates the fundamentals of good government by interposing legislative interference in the administrative process. The legislature will always have the prerogative to set, by legislation, basic policy and such guidelines as may be needed for its implementation. Having done so, however, administrative agencies must be entrusted to carry out its functions without having to seek legislative approval at every turn of the decision-making process. For these reasons, I have determined to veto section 7.

With the foregoing exceptions, I have approved the remainder of Engrossed Substitute Senate Bill No. 3277."

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CHAPTER 180

[ Engrossed Senate Bill No. 2156 ]

COMMERCIAL TRANSACTIONS

—WARRANTIES—REMEDIES

AN ACT Relating to commercial transactions; amending section 2-316, chapter 157, Laws of 1965 ex. sess. as amended by section 1, chapter 78, Laws of 1974 1st ex. sess. and RCW 62A.2-316; amending section 2-719, chapter 157, Laws of 1965 ex. sess. as amended by section 2, chapter 78, Laws of 1974 1st ex. sess. and RCW 62A.2-719; and adding a new section to Title 63 RCW.

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

Section 1. Section 2-316, chapter 157, Laws of 1965 ex. sess. as amended by section 1, chapter 78, Laws of 1974 1st ex. sess. and RCW 62A.2-316 are each amended to read as follows:

(1) Words or conduct relevant to the creation of an express warranty and words or conduct tending to negate or limit warranty shall be construed wherever reasonable as consistent with each other; but subject to the provisions of this Article on parol or extrinsic evidence (RCW 62A.2-202) negation or limitation is inoperative to the extent that such construction is unreasonable.

(2) Subject to subsection (3), to exclude or modify the implied warranty of merchantability or any part of it the language must mention merchantability and in case of a writing must be conspicuous, and to exclude or modify any implied warranty of fitness the exclusion must be by a writing and conspicuous. Language to exclude all implied warranties of fitness is sufficient if it states,

for example, that "There are no warranties which extend beyond the description on the face hereof."

(3) Notwithstanding subsection (2)

(a) unless the circumstances indicate otherwise, all implied warranties are excluded by expressions like "as is", "with all faults" or other language which in common understanding calls the buyer's attention to the exclusion of warranties and makes plain that there is no implied warranty; and

(b) when the buyer before entering into the contract has examined the goods or the sample or model as fully as he desired or has refused to examine the goods there is no implied warranty with regard to defects which an examination ought in the circumstances to have revealed to him; and

(c) an implied warranty can also be excluded or modified by course of dealing or course of performance or usage of trade.

(4) Notwithstanding the provisions of subsections (2) and (3) of this section and the provisions of ((section 2 of this 1974 amendatory act)) RCW 62A.2-719, as now or hereafter amended, in any case where goods are purchased ((or leased)) primarily for personal, family or household use ((or)) and not for commercial or business use, disclaimers of the warranty of merchantability or fitness for particular purpose shall not be effective to limit the liability of merchant sellers ((or lessors or manufacturers)) except insofar as the disclaimer sets forth with particularity the qualities and characteristics which are not being warranted. Remedies for breach of warranty can be limited in accordance with the provisions of this Article on liquidation or limitation of damages and on contractual modification of remedy (RCW 62A.2-718 and RCW 62A.2-719).

Sec. 2. Section 2-719, chapter 157, Laws of 1965 ex. sess. as amended by section 2, chapter 78, Laws of 1974 1st ex. sess. and RCW 62A.2-719 are each amended to read as follows:

(1) Subject to the provisions of subsections (2) and (3) of this section and of the preceding section on liquidation and limitation of damages,

(a) the agreement may provide for remedies in addition to or in substitution for those provided in this Article and may limit or alter the measure of damages recoverable under this Article, as by limiting the buyer's remedies to return of the goods and repayment of the price or to repair and replacement of non-conforming goods or parts; and

(b) resort to a remedy as provided is optional unless the remedy is expressly agreed to be exclusive, in which case it is the sole remedy.

(2) Where circumstances cause an exclusive or limited remedy to fail of its essential purpose, remedy may be had as provided in this Title.

(3) Limitation of consequential damages for injury to the person in the case of goods purchased ((or leased)) primarily for personal, family or household use or of any services related thereto is invalid unless it is proved that the limitation is not unconscionable. Limitation of remedy to repair or replacement of defective parts or nonconforming goods is invalid in sales ((or leases)) of goods primarily for personal, family or household use unless the manufacturer or seller maintains or provides within this state facilities adequate to provide reasonable and expeditious performance of repair or replacement obligations.

Limitation of other consequential damages is valid unless it is established that the limitation is unconscionable.

NEW SECTION. Sec. 3. There is added to Title 63 RCW a new section to read as follows:

In any lease or rental agreement for the lease of movable personal property for use primarily in this state (other than a lease under which the lessee is authorized to use such property at no charge), if the rental or other consideration paid or payable thereunder is at a rate which if computed on an annual basis would be six thousand dollars per year or less, no provision thereof purporting to disclaim any warranty of merchantability or fitness for particular purposes which may be implied by law shall be enforceable unless either (1) the disclaimer sets forth with particularity the qualities and characteristics which are not being warranted, or (2) the lessee is engaged in a public utility business or a public service business subject to regulation by the United States or this state.

Passed the Senate April 18, 1974.  
Passed the House April 22, 1974.  
Approved by the Governor May 5, 1974.  
Filed in Office of Secretary of State May 5, 1974.

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CHAPTER 181  
[Engrossed Senate Bill No. 3062]  
HIGHER EDUCATION BONDS

AN ACT Relating to the institutions of higher education; providing for the acquisition, construction, remodeling, furnishing and equipping of state buildings and facilities for said institutions of higher education; providing for the financing