



THE WASHINGTON FEDERATION

OF ANIMAL CARE AND CONTROL AGENCIES

Washington State House Bill 1476: Contracts for Dogs and Cats

In 2019, the Washington State Legislature passed HB 1476. It was signed by the governor on May 9, 2019 with an effective date of July 28, 2019.

Purpose

HB 1476 was intended to stop the practice of financing dogs and cats where a security interest is held in the dog or cat by the financing company—thus subjecting the animal to possible repossession.

The bill's need became apparent in 2018 when some pet stores in Washington began promoting pet leasing, a practice that had been initiated earlier in other parts of the country. These agreements allowed a person wishing to buy a puppy to enter into a lease agreement, often unwittingly, that contained provisions allowing repossession of the puppy if the person missed a payment or if a balloon payment at the end of the lease term was not paid.

These financing schemes typically involve local pet stores partnering with financing companies to facilitate the acquisition of high priced puppies by customers who cannot readily afford to buy the animal outright using cash or a credit card. These financing methods have also been used by out-of-state online retailers and brokers attempting to market puppies directly to the public, including residents of Washington State.

Why These Agreements are Bad for Consumers and Companion Animals

1. Our dogs and cats are living creatures, not cars or furniture. Repossession puts these animals' well being and fates at risk.
2. When a financing company owns the animal (as it would with lease agreements), it may be difficult or impossible for the pet to obtain needed veterinary care. Veterinarians often refuse to provide medical care on animals that are not owned by the people bringing the animal to the clinic.
3. Our companion animals are as dear to us as family members. Relinquishing a family pet through repossession is devastating to the people loving or caring for their companion animal.
4. The risk of contract default and subsequent repossession of the animal is likely to be higher through leases and contracts that hold the animal as security. These financing agreements

typically prey on people who do not have established credit or are uninformed about consumer contracts. Financing rates are usually exorbitant.

The Law Prior to the Bill's Passage

Unfortunately, state law did not anticipate that these forms of contracts would be used for transactions involving dogs and cats. As a consequence, it did not address the risks to the well being of an animal that is not owned by the person possessing the animal, or where that animal is subject to repossession or forfeiture.

Summary of the New Law

State law was amended by HB 1476 to do the following. It applies to contracts entered into July 28, 2019 or later:

1. Chapter 63.10 RCW (consumer leasing law) is amended to prohibit contracts where (1) a person or entity takes possession of a dog or cat, but ownership of the dog or cat is contingent upon the making of payments over time; or (2) the contract provides for or offers the option of transferring ownership of the dog or cat at the end of a lease term.
2. Chapter 63.14 RCW (retail installment sales law) is amended to prohibit retail installment contracts for the purchase of a dog or cat where the contract provides for a security interest in the dog or cat.
3. Chapter 31.04 RCW (consumer loan law) is amended to prohibit consumer loan agreements for the purchase of a dog or cat where the contract provides for a security interest in the dog or cat.
4. RCW 62.A.9A-109 (part of the Uniform Commercial Code) which applies to certain security interests in commercial transactions is amended to exclude the creation or transfer of a security interest in or lien on a dog or cat from the scope of Article 9A Uniform Commercial Code—Secured Transactions.
5. A consumer taking possession of a dog or cat that is transferred under a contract in violation of the provisions in Chapters 63.10, 63.14, or 31.04 RCW, described above, is deemed the owner of the dog or cat and entitled to the return of all amounts the consumer paid under the contract.

The law does not affect unsecured loans for the purchase of dogs or cats.

Questions and Comments

If you have questions, comments, or observations regarding compliance with this law, you may contact the Washington Federation of Animal Care & Control Agencies at info@wafederation.org.