

CERTIFICATION OF ENROLLMENT

HOUSE BILL 1983

Chapter 43, Laws of 2001

57th Legislature
2001 Regular Legislative Session

COLLECTION AGENCIES--DEFINITIONS

EFFECTIVE DATE: 7/22/01

Passed by the House March 9, 2001
Yeas 94 Nays 0

CLYDE BALLARD
Speaker of the House of
Representatives

FRANK CHOPP
Speaker of the House of
Representatives

Passed by the Senate April 4, 2001
Yeas 48 Nays 0

ROSA FRANKLIN
President of the Senate

Approved April 17, 2001

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

We, Timothy A. Martin and Cynthia Zehnder, Co-Chief Clerks of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL 1983** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

TIMOTHY A. MARTIN
Chief Clerk

FILED

April 17, 2001 - 9:07 a.m.

Secretary of State
State of Washington

HOUSE BILL 1983

Passed Legislature - 2001 Regular Session

State of Washington

57th Legislature

2001 Regular Session

By Representatives Benson and Hatfield

Read first time 02/12/2001. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to the collection of financial claims; and amending
2 RCW 19.16.100.

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

4 **Sec. 1.** RCW 19.16.100 and 1994 c 195 s 1 are each amended to read
5 as follows:

6 Unless a different meaning is plainly required by the context, the
7 following words and phrases as hereinafter used in this chapter shall
8 have the following meanings:

9 (1) "Person" includes individual, firm, partnership, trust, joint
10 venture, association, or corporation.

11 (2) "Collection agency" means and includes:

12 (a) Any person directly or indirectly engaged in soliciting claims
13 for collection, or collecting or attempting to collect claims owed or
14 due or asserted to be owed or due another person;

15 (b) Any person who directly or indirectly furnishes or attempts to
16 furnish, sells, or offers to sell forms represented to be a collection
17 system or scheme intended or calculated to be used to collect claims
18 even though the forms direct the debtor to make payment to the creditor

1 and even though the forms may be or are actually used by the creditor
2 himself or herself in his or her own name;

3 (c) Any person who in attempting to collect or in collecting his or
4 her own claim uses a fictitious name or any name other than his or her
5 own which would indicate to the debtor that a third person is
6 collecting or attempting to collect such claim.

7 (3) "Collection agency" does not mean and does not include:

8 (a) Any individual engaged in soliciting claims for collection, or
9 collecting or attempting to collect claims on behalf of a licensee
10 under this chapter, if said individual is an employee of the licensee;

11 (b) Any individual collecting or attempting to collect claims for
12 not more than one employer, if all the collection efforts are carried
13 on in the name of the employer and if the individual is an employee of
14 the employer;

15 (c) Any person whose collection activities are carried on in his,
16 her, or its true name and are confined and are directly related to the
17 operation of a business other than that of a collection agency, such as
18 but not limited to trust companies, savings and loan associations,
19 building and loan associations, abstract companies doing an escrow
20 business, real estate brokers, public officers acting in their official
21 capacities, persons acting under court order, lawyers, insurance
22 companies, credit unions, loan or finance companies, mortgage banks,
23 and banks;

24 (d) Any person who on behalf of another person prepares or mails
25 monthly or periodic statements of accounts due if all payments are made
26 to that other person and no other collection efforts are made by the
27 person preparing the statements of account; ((or))

28 (e) An "out-of-state collection agency" as defined in this chapter;
29 or

30 (f) Any person while acting as a debt collector for another person,
31 both of whom are related by common ownership or affiliated by corporate
32 control, if the person acting as a debt collector does so only for
33 persons to whom it is so related or affiliated and if the principal
34 business of the person is not the collection of debts.

35 (4) "Out-of-state collection agency" means a person whose
36 activities within this state are limited to collecting debts from
37 debtors located in this state by means of interstate communications,
38 including telephone, mail, or facsimile transmission, from the person's
39 location in another state on behalf of clients located outside of this

1 state, but does not include any person who is excluded from the
2 definition of the term "debt collector" under the federal fair debt
3 collection practices act (15 U.S.C. Sec. 1692a(6)).

4 (5) "Claim" means any obligation for the payment of money or thing
5 of value arising out of any agreement or contract, express or implied.

6 (6) "Statement of account" means a report setting forth only
7 amounts billed, invoices, credits allowed, or aged balance due.

8 (7) "Director" means the director of licensing.

9 (8) "Client" or "customer" means any person authorizing or
10 employing a collection agency to collect a claim.

11 (9) "Licensee" means any person licensed under this chapter.

12 (10) "Board" means the Washington state collection agency board.

13 (11) "Debtor" means any person owing or alleged to owe a claim.

Passed the House March 9, 2001.

Passed the Senate April 4, 2001.

Approved by the Governor April 17, 2001.

Filed in Office of Secretary of State April 17, 2001.