
SECOND SUBSTITUTE HOUSE BILL 2513

State of Washington

66th Legislature

2020 Regular Session

By House Appropriations (originally sponsored by Representatives Slatter, Leavitt, Ortiz-Self, Valdez, Bergquist, Davis, J. Johnson, Pollet, Goodman, Lekanoff, Ormsby, and Riccelli; by request of Lieutenant Governor)

READ FIRST TIME 02/11/20.

1 AN ACT Relating to prohibiting the practice of transcript
2 withholding and limiting the practice of registration holds at
3 institutions of higher education as debt collection practices;
4 amending RCW 28B.10.293; and adding a new section to chapter 28B.10
5 RCW.

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

7 **Sec. 1.** RCW 28B.10.293 and 1977 ex.s. c 18 s 1 are each amended
8 to read as follows:

9 (~~Each state public or private~~) (1) Institutions of higher
10 education may, in the control and collection of any debt or claim due
11 owing to it, impose reasonable financing and late charges, as well as
12 reasonable costs and expenses incurred in the collection of such
13 debts, if provided for in the note or agreement signed by the debtor.

14 (2) Institutions of higher education may only withhold a
15 student's official transcript for the purpose of collecting debts
16 relating to the nonpayment of tuition fees or fees charged to provide
17 the official transcript.

18 (3) An institution may not withhold a student's official
19 transcript, regardless of debt, if the official transcript is
20 requested by a student or entity for any of the following purposes:

21 (a) Job applications;

1 (b) Transferring to another institution; or

2 (c) Applying for financial aid.

3 (4) An institution of higher education must release a student's
4 official transcript if the institution assigns the student's unpaid
5 debt to a collection agency, regardless of the type of debt.

6 (5) Institutions of higher education may not withhold
7 registration privileges as a debt collection tool, excluding the case
8 of any debts related to the following:

9 (a) Unpaid tuition fees;

10 (b) Unpaid room and board fees, meaning any money, obligation,
11 claim, or sum, due or owing, or alleged to be due or owing, from a
12 student for the provision of contractually agreed to on-campus
13 housing or meal services plans; or

14 (c) Any financial aid funds owed to the institution under Title
15 IV, or to the state, due to miscalculation, withdrawal,
16 misinformation, or other reason, not including standard repayment of
17 student loans.

18 (6) If an institution of higher education chooses to withhold
19 official transcripts or registration privileges as a tool for debt
20 collection, the institution shall disclose to students through email
21 and the class registration process the following at the start of each
22 academic term:

23 (a) The amount of debt, if any, owed by the students to the
24 institution;

25 (b) Information on payment of the debt, including who to contact
26 to set up a payment plan; and

27 (c) Any consequences that will result from the nonpayment of the
28 debt.

29 (7) For the purposes of this section:

30 (a) "Debt" means any money, obligation, claim, or sum, due or
31 owing, or alleged to be due or owing, from a student.

32 (b) "Institutions of higher education" means the same as in RCW
33 28B.92.030.

34 (c) "Tuition fees" means tuition fees as defined in RCW
35 28B.15.020, services and activities fees as defined in RCW
36 28B.15.041, technology fees as defined in RCW 28B.15.051, and fees
37 charged for nonstate funded, fee-based, self-supporting degree,
38 certificate, or continuing education courses.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10
2 RCW to read as follows:

3 (1) Institutions of higher education shall report to the governor
4 and the higher education committees of the legislature in accordance
5 with RCW 43.01.036 annually beginning on December 1, 2020, on
6 transcript and registration holds used as debt collection tools,
7 including:

8 (a) Each institution's policy on when transcript and registration
9 holds are used, including the time frames and amounts for which holds
10 are to be used and the lowest amount for which an institution assigns
11 a debt to a third-party collection agency;

12 (b) The actual lowest amount of debt for which an institution
13 withholds official transcripts and registration privileges;

14 (c) The number of official transcripts and registration
15 privileges being withheld by institution;

16 (d) The categories of debt for which transcripts and registration
17 privileges were withheld, including the average amount of debt for
18 each category;

19 (e) The average past-due time period for debts in which
20 transcripts and registration privileges were withheld;

21 (f) The number of past-due accounts assigned to third-party
22 collection agencies; and

23 (g) The actual lowest amount for which an institution assigns a
24 debt to a third-party collection agency.

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