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**SUBSTITUTE SENATE BILL 5052**

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**State of Washington**

**52nd Legislature**

**1991 Regular Session**

**By** Senate Committee on Law & Justice (originally sponsored by Senators Moore, Nelson and Thorsness).

Read first time February 15, 1991.

1 AN ACT Relating to collection of public debts; and amending RCW  
2 19.16.100 and 19.16.500.

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

4 **Sec. 1.** RCW 19.16.100 and 1990 c 190 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;

1 (b) Any person who directly or indirectly furnishes or attempts to  
2 furnish, sells, or offers to sell forms represented to be a collection  
3 system or scheme intended or calculated to be used to collect claims  
4 even though the forms direct the debtor to make payment to the creditor  
5 and even though the forms may be or are actually used by the creditor  
6 ((himself)) in ((his)) the creditor's own name;

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

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

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

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

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

28 (d) Any person who on behalf of another person prepares or mails  
29 monthly or periodic statements of accounts due if all payments are made

1 to that other person and no other collection efforts are made by the  
2 person preparing the statements of account.

3 (4) "Claim" means any obligation for the payment of money or thing  
4 of value arising out of any agreement or contract, express or implied,  
5 including restitution, whether court-ordered or contractual, and legal  
6 financial obligations ordered pursuant to chapter 9.94A RCW.

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

9 (6) "Director" means the director of licensing.

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

12 (8) "Licensee" means any person licensed under this chapter.

13 (9) "Board" means the Washington state collection agency board.

14 (10) "Debtor" means any person owing or alleged to owe a claim.

15 **Sec. 2.** RCW 19.16.500 and 1982 c 65 s 1 are each amended to read  
16 as follows:

17 (1) Agencies, departments, taxing districts, political subdivisions  
18 of the state, counties, and incorporated cities may ~~((retain))~~ assign,  
19 by written contract, public debts owed by any person collectible in the  
20 state of Washington only to collection agencies licensed under this  
21 ~~chapter ((for the purpose of collecting public debts owed by any~~  
22 ~~person))~~.

23 (2) No debt may be assigned to a collection agency unless (a) there  
24 has been an attempt to advise the debtor (i) of the existence of the  
25 debt and (ii) that the debt may be assigned to a collection agency for  
26 collection if the debt is not paid, and (b) at least thirty days have  
27 elapsed from the time the notice was sent.

1           (3) Collection agencies assigned debts under this section shall  
2 have only those remedies and powers which would be available to them as  
3 assignees of private creditors.

4           (4) For purposes of this section, the term debt shall include  
5 finances, restitution, legal financial obligations ordered pursuant to  
6 chapter 9.94A RCW, and other debts.