

SENATE BILL REPORT

SB 5052

AS REPORTED BY COMMITTEE ON LAW & JUSTICE, FEBRUARY 13, 1991

Brief Description: Concerning collection of public debts.

SPONSORS: Senators Moore, Nelson and Thorsness.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5052 be substituted therefor, and the substitute bill do pass.

Signed by Senators Nelson, Chairman; Thorsness, Vice Chairman; L. Kreidler, Madsen, Newhouse, Rasmussen, and A. Smith.

Staff: Dick Armstrong (786-7460)

Hearing Dates: February 5, 1991; February 13, 1991

BACKGROUND:

The state collection agency statute provides for the licensing and regulation of persons acting as collection agents for private and public debts. The statute contains numerous provisions that prohibit the intimidation and harassment of consumers by collection agents. In addition, collection agencies are required to retain records, comply with accounting procedures, and meet bonding requirements.

It is suggested that the collection agency statute be clarified to ensure that the collection of restitution and other legal financial obligations (such as court fines and assessments) is governed by the act if the person is acting as a collection agent.

SUMMARY:

Any person who acts as a collection agency to collect restitution and other legal financial obligations, such as court fines and assessments, must comply with the requirements of the collection agency statute.

Public agencies may only hire collection agencies licensed under the act to collect public debts.

EFFECT OF PROPOSED SUBSTITUTE:

The bill remains the same as introduced, but with the clarification that public agencies can continue to use "billing agents" to notify debtors of their public debts.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

The bill will help to clarify the law and ensure that out-of-state collection agencies comply with state law when attempting to collect restitution and other public debts.

TESTIMONY AGAINST: None

TESTIFIED: Ben Wood, Jr., Washington Collector's Assn. (pro)