

SENATE BILL 5052

State of Washington

52nd Legislature

1991 Regular Session

By Senators Moore, Nelson and Thorsness.

Read first time January 17, 1991. Referred to Committee on Law & Justice.

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, by written
19 contract, only collection agencies licensed under this chapter for the
20 purpose of collecting public debts owed by any person.

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

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

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