

CERTIFICATION OF ENROLLMENT
SUBSTITUTE SENATE BILL 5052

52nd Legislature
1991 Regular Session

Passed by the Senate March 6, 1991
Yeas 47 Nays 2

President of the Senate

Passed by the House April 19, 1991
Yeas 95 Nays 0

**Speaker of the
House of Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Gordon Golob, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5052** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5052

Passed Legislature - 1991 Regular Session

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
5 read as follows:

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

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

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

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

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

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

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

24 (c) Any person whose collection activities are carried on in his,
25 her, or its true name and are confined and are directly related to
26 the operation of a business other than that of a collection agency,
27 such as but not limited to trust companies, savings and loan

1 associations, building and loan associations, abstract companies
2 doing an escrow business, real estate brokers, public officers
3 acting in their official capacities, persons acting under court
4 order, lawyers, insurance companies, credit unions, loan or finance
5 companies, mortgage banks, and banks; or

6 (d) Any person who on behalf of another person prepares or mails
7 monthly or periodic statements of accounts due if all payments are
8 made to that other person and no other collection efforts are made
9 by the person preparing the statements of account.

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

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

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

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

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

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

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

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

25 (1) Agencies, departments, taxing districts, political
26 subdivisions of the state, counties, and incorporated cities may

1 ((retain)) assign, by written contract, public debts owed by any
2 person collectible in the state of Washington only to collection
3 agencies licensed under this chapter ((for the purpose of collecting
4 ~~public debts owed by any person~~)).

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

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

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