

CERTIFICATION OF ENROLLMENT

SENATE BILL 5211

Chapter 203, Laws of 2003

58th Legislature
2003 Regular Session

COLLECTION AGENCIES

EFFECTIVE DATE: 7/27/03

Passed by the Senate February 14, 2003
YEAS 49 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House April 10, 2003
YEAS 95 NAYS 0

FRANK CHOPP

Speaker of the House of Representatives

Approved May 9, 2003.

GARY LOCKE

Governor of the State of Washington

CERTIFICATE

I, Milton H. Doumit, Jr., Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5211** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MILTON H. DOUMIT JR.

Secretary

FILED

May 9, 2003 - 4:19 p.m.

**Secretary of State
State of Washington**

SENATE BILL 5211

Passed Legislature - 2003 Regular Session

State of Washington 58th Legislature 2003 Regular Session

By Senators Kohl-Welles, Winsley, Fairley, Prentice, Benton and Keiser

Read first time 01/20/2003. Referred to Committee on Financial Services, Insurance & Housing.

1 AN ACT Relating to collection agencies; and reenacting and amending
2 RCW 19.16.100.

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

4 **Sec. 1.** RCW 19.16.100 and 2001 c 47 s 1 and 2001 c 43 s 1 are each
5 reenacted and amended to read 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;

15 (b) Any person who directly or indirectly furnishes or attempts to
16 furnish, sells, or offers to sell forms represented to be a collection
17 system or scheme intended or calculated to be used to collect claims

1 even though the forms direct the debtor to make payment to the creditor
2 and even though the forms may be or are actually used by the creditor
3 himself or herself in his or her own name;

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

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

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

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

16 (c) Any person whose collection activities are carried on in his,
17 her, or its true name and are confined and are directly related to the
18 operation of a business other than that of a collection agency, such as
19 but not limited to: Trust companies((τ)); savings and loan
20 associations((τ)); building and loan associations((τ)); abstract
21 companies doing an escrow business((τ)); real estate brokers((τ));
22 property management companies collecting assessments, charges, or fines
23 on behalf of condominium unit owners associations, associations of
24 apartment owners, or homeowners' associations; public officers acting
25 in their official capacities((τ)); persons acting under court
26 order((τ)); lawyers((τ)); insurance companies((τ)); credit unions((τ));
27 loan or finance companies((τ)); mortgage banks((τ)); and banks;

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
30 to that other person and no other collection efforts are made by the
31 person preparing the statements of account;

32 (e) An "out-of-state collection agency" as defined in this chapter;
33 or

34 (f) Any person while acting as a debt collector for another person,
35 both of whom are related by common ownership or affiliated by corporate
36 control, if the person acting as a debt collector does so only for
37 persons to whom it is so related or affiliated and if the principal
38 business of the person is not the collection of debts.

1 (4) "Out-of-state collection agency" means a person whose
2 activities within this state are limited to collecting debts from
3 debtors located in this state by means of interstate communications,
4 including telephone, mail, or facsimile transmission, from the person's
5 location in another state on behalf of clients located outside of this
6 state, but does not include any person who is excluded from the
7 definition of the term "debt collector" under the federal fair debt
8 collection practices act (15 U.S.C. Sec. 1692a(6)).

9 (5) "Claim" means any obligation for the payment of money or thing
10 of value arising out of any agreement or contract, express or implied.

11 (6) "Statement of account" means a report setting forth only
12 amounts billed, invoices, credits allowed, or aged balance due.

13 (7) "Director" means the director of licensing.

14 (8) "Client" or "customer" means any person authorizing or
15 employing a collection agency to collect a claim.

16 (9) "Licensee" means any person licensed under this chapter.

17 (10) "Board" means the Washington state collection agency board.

18 (11) "Debtor" means any person owing or alleged to owe a claim.

19 (12) "Commercial claim" means any obligation for payment of money
20 or thing of value arising out of any agreement or contract, express or
21 implied, where the transaction which is the subject of the agreement or
22 contract is not primarily for personal, family, or household purposes.

Passed by the Senate February 14, 2003.

Passed by the House April 10, 2003.

Approved by the Governor May 9, 2003.

Filed in Office of Secretary of State May 9, 2003.