
HOUSE BILL 1599

State of Washington

69th Legislature

2025 Regular Session

By Representatives Reeves, Corry, and Walen

Read first time 01/24/25. Referred to Committee on Consumer Protection & Business.

1 AN ACT Relating to consumer debt adjusters and debt resolution
2 services providers; amending RCW 18.28.010, 18.28.080, 18.28.090,
3 18.28.100, 18.28.110, 18.28.120, 18.28.130, 18.28.140, 18.28.150,
4 18.28.200, 18.28.210, and 18.28.220; adding new sections to chapter
5 18.28 RCW; repealing RCW 18.28.165, 18.28.800, and 18.28.900; and
6 prescribing penalties.

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

8 **Sec. 1.** RCW 18.28.010 and 2015 c 167 s 1 are each amended to
9 read as follows:

10 Unless a different meaning is plainly required by the context,
11 the following words and phrases as hereinafter used in this chapter
12 shall have the following meanings:

13 (1) "Bank" means a financial institution, including a commercial
14 bank, savings bank, savings and loan association, credit union,
15 mortgage bank, or trust company, in each case engaged in the business
16 of banking, that is chartered under federal or state law by a federal
17 or state banking regulatory agency.

18 (2) "Business address" means the designation of the physical
19 location of a business, including the name and number of a street.

20 (3) "Business day" means a calendar day, except for Saturdays,
21 Sundays, and legal holidays.

1 (4) "Consumer" means an individual who has executed a contract
2 with a licensee.

3 (5) "Contract" means a written agreement between a licensee and a
4 consumer that meets the requirements of RCW 18.28.100.

5 (6) "Creditor" means a person that has extended credit to a
6 consumer, including any agent or assignee of the person.

7 (7) "Debt adjuster," which includes any person known as a debt
8 pooler, debt manager, debt consolidator, debt prorater, or credit
9 counselor, is any person engaging in or holding himself or herself
10 out as engaging in the business of debt adjusting for compensation
11 and that holds a valid license issued pursuant to this chapter. A
12 debt adjuster is not a debt resolution services provider. ((The term
13 shall not include:

14 ~~(a) Attorneys-at-law, escrow agents, accountants, broker-dealers~~
15 ~~in securities, or investment advisors in securities, while performing~~
16 ~~services solely incidental to the practice of their professions;~~

17 ~~(b) Any person, partnership, association, or corporation doing~~
18 ~~business under and as permitted by any law of this state or of the~~
19 ~~United States relating to banks, consumer finance businesses,~~
20 ~~consumer loan companies, trust companies, mutual savings banks,~~
21 ~~savings and loan associations, building and loan associations, credit~~
22 ~~unions, crop credit associations, development credit corporations,~~
23 ~~industrial development corporations, title insurance companies,~~
24 ~~insurance companies, or third-party account administrators;~~

25 ~~(c) Persons who, as employees on a regular salary or wage of an~~
26 ~~employer not engaged in the business of debt adjusting, perform~~
27 ~~credit services for their employer;~~

28 ~~(d) Public officers while acting in their official capacities and~~
29 ~~persons acting under court order;~~

30 ~~(e) Any person while performing services incidental to the~~
31 ~~dissolution, winding up or liquidation of a partnership, corporation,~~
32 ~~or other business enterprise;~~

33 ~~(f) Nonprofit organizations dealing exclusively with debts owing~~
34 ~~from commercial enterprises to business creditors;~~

35 ~~(g) Nonprofit organizations engaged in debt adjusting and which~~
36 ~~do not assess against the debtor a service charge in excess of~~
37 ~~fifteen dollars per month.~~

38 ~~(2-))~~ (8) "Debt adjusting" means the managing, counseling,
39 ((settling,)) adjusting, prorating, or liquidating of the
40 indebtedness of a ((debtor)) consumer, or receiving funds for the

1 purpose of distributing said funds among creditors in payment or
2 partial payment of obligations of a (~~(debtor)~~) consumer.

3 ~~((+3))~~ (9) "Debt adjusting agency" is any partnership,
4 corporation, or association engaging in or holding itself out as
5 engaging in the business of debt adjusting.

6 (10) "Debt resolution services" means any program or service
7 represented, directly or by implication, to renegotiate, settle, or
8 in any way alter the terms of payment or other terms of the debt
9 between a consumer and one or more unsecured creditors including, but
10 not limited to, a reduction in the balance, interest rate, or fees
11 owed by a consumer to an unsecured creditor.

12 (11) "Debt resolution services provider" means any person
13 engaging in, or holding himself or herself out as engaging in, the
14 business of providing debt adjusting services for compensation and
15 that holds a valid license issued pursuant to this chapter. A debt
16 resolution services provider is not a debt adjuster.

17 (12) "Dedicated account" means an account that meets the criteria
18 set forth in section 20 of this act.

19 (13) "Dedicated account service provider" means an entity that
20 facilitates transactions authorized by a consumer enrolled in a debt
21 resolution services program, pursuant to the terms of 16 C.F.R. Sec.
22 310.4(a)(5)(ii).

23 (14) "Department" means the department of financial institutions.

24 (15) "Director" means the director of the department of financial
25 institutions.

26 ~~((+4))~~ (16) "Fair share" means the creditor contributions paid
27 to nonprofit debt adjusters by the creditors whose consumers receive
28 debt adjusting services from the nonprofit debt adjusters and pay
29 down their debt accordingly. "Fair share" does not include grants
30 received by nonprofit debt adjusters for services unrelated to debt
31 adjusting.

32 ~~((+5))~~ (17) "Financial institution" means any person doing
33 business under the laws of any state or the United States relating to
34 commercial banks, bank holding companies, savings banks, savings and
35 loan associations, trust companies, or credit unions.

36 (18) "Licensee" means a provider of debt adjusting or debt
37 resolution services that possesses a valid license issued pursuant to
38 this chapter.

1 (19) "Person" means any individual, group, unincorporated
2 association, limited or general partnership, corporation, or other
3 business entity.

4 ~~((+6))~~ (20) "Third-party account administrator" means an
5 independent entity that holds or administers a dedicated bank account
6 for fees and payments to creditors, debt collectors, debt adjusters,
7 or debt adjusting agencies in connection with the renegotiation,
8 settlement, reduction, or other alteration of the terms of payment or
9 other terms of a debt.

10 **Sec. 2.** RCW 18.28.080 and 2015 c 167 s 2 are each amended to
11 read as follows:

12 (1) By contract a licensee providing debt ~~((adjuster))~~ adjusting
13 services may charge a reasonable fee ~~((for debt adjusting services))~~.
14 The total fee for debt adjusting services, including, but not limited
15 to, any fee charged by a financial institution or a third-party
16 account administrator, may not exceed ~~((fifteen))~~ 15 percent of the
17 total debt listed by the ~~((debtor))~~ consumer on the contract. The fee
18 retained by the debt adjuster from any one payment made by or on
19 behalf of the ~~((debtor))~~ consumer may not exceed ~~((fifteen))~~ 15
20 percent of the payment not including fair share contributions to a
21 nonprofit debt adjuster. The debt adjuster may make an initial charge
22 of up to ~~((twenty-five dollars))~~ \$25 which shall be considered part
23 of the total fee. If an initial charge is made, no additional fee may
24 be retained which will bring the total fee retained to date to more
25 than ~~((fifteen))~~ 15 percent of the total payments made to date. No
26 fee whatsoever shall be applied against rent and utility payments for
27 housing.

28 In the event of cancellation or default on performance of the
29 contract by the ~~((debtor))~~ consumer prior to its successful
30 completion, the ~~((debt adjuster))~~ licensee may collect in addition to
31 fees previously received, six percent of that portion of the
32 remaining indebtedness listed on said contract which was due when the
33 contract was entered into, but not to exceed ~~((twenty-five dollars))~~
34 \$25.

35 (2) A licensee providing debt ~~((adjuster))~~ adjusting services
36 shall not be entitled to retain any fee until notifying all creditors
37 listed by the ~~((debtor))~~ consumer that the ~~((debtor))~~ consumer has
38 engaged the debt adjuster in a program of debt adjusting.

1 (~~(3) The department of financial institutions has authority to~~
2 ~~enforce compliance with this section.~~)

3 **Sec. 3.** RCW 18.28.090 and 1999 c 151 s 103 are each amended to
4 read as follows:

5 If a licensee providing debt (~~(adjuster)~~) adjusting services
6 contracts for, receives or makes any charge in excess of the maximums
7 permitted by (~~(this chapter)~~) RCW 18.28.080, except as the result of
8 an accidental and bona fide error, the debt adjuster's contract with
9 the (~~(debtor)~~) consumer shall be void and the debt adjuster shall
10 return to the (~~(debtor)~~) consumer the amount of all payments received
11 from the (~~(debtor)~~) consumer or on the (~~(debtor's)~~) consumer's behalf
12 and not distributed to creditors.

13 **Sec. 4.** RCW 18.28.100 and 1999 c 151 s 104 are each amended to
14 read as follows:

15 (1) Every contract between a licensee providing debt (~~(adjuster)~~)
16 adjusting services and a (~~(debtor)~~) consumer shall:

17 (~~(1)~~) (a) List every debt to be handled with the creditor's
18 name and disclose the approximate total of all known debts;

19 (~~(2)~~) (b) Provide in precise terms payments reasonably within
20 the ability of the (~~(debtor)~~) consumer to pay;

21 (~~(3)~~) (c) Disclose in precise terms the rate and amount of all
22 of the debt adjuster's charges and fees;

23 (~~(4)~~) (d) Disclose the approximate number and amount of
24 installments required to pay the debts in full;

25 (~~(5)~~) (e) Disclose the name and address of the debt adjuster
26 and of the (~~(debtor)~~) consumer;

27 (~~(6)~~) (f) Provide that the debt adjuster shall notify the
28 (~~(debtor)~~) consumer, in writing, within five days of notification to
29 the debt adjuster by a creditor that the creditor refuses to accept
30 payment pursuant to the contract between the debt adjuster and the
31 (~~(debtor)~~) consumer;

32 (~~(7)~~) (g) Contain the following notice in (~~(ten)~~) 10 point
33 boldface type or larger directly above the space reserved in the
34 contract for the signature of the (~~(buyer)~~) consumer: NOTICE TO
35 (~~(DEBTOR)~~) CONSUMER:

36 (~~(a)~~) (i) Do not sign this contract before you read it or if
37 any spaces intended for the agreed terms are left blank.

1 (~~(b)~~) (ii) You are entitled to a copy of this contract at the
2 time you sign it.

3 (~~(e)~~) (iii) You may cancel this contract within three days of
4 signing by sending notice of cancellation by certified mail return
5 receipt requested to the debt adjuster at his or her address shown on
6 the contract, which notice shall be posted not later than midnight of
7 the third day (excluding Sundays and holidays) following your signing
8 of the contract; and

9 (~~(8)~~) (h) Contain such other and further provisions or
10 disclosures as are necessary for the protection of the (~~debtor~~)
11 consumer and the proper conduct of business by the debt adjuster.

12 (2) Every contract between a licensee providing debt resolution
13 services and a consumer shall disclose:

14 (a) The services the licensee will perform;

15 (b) The methodology that the licensee will use to calculate fees
16 to be charged for debt resolution services and, if reasonably
17 available at the time the contract is executed, the fees that the
18 licensee will charge;

19 (c) The amount of time estimated on a good-faith basis to be
20 necessary to achieve the resolution of all enrolled debts, and to the
21 extent that the service may include a resolution offer to any of the
22 consumer's creditors, the time estimated on a good-faith basis when
23 the debt resolution services provider will make a bona fide
24 resolution offer to each of them;

25 (d) To the extent that the debt resolution services may include a
26 resolution offer to any of the consumer's creditors, the amount of
27 money or the percentage of each outstanding debt that the consumer
28 must accumulate before the debt resolution services provider will
29 make a bona fide resolution offer to each of them;

30 (e) That debt resolution services may not be suitable for all
31 individuals;

32 (f) To the extent that any aspect of the debt resolution services
33 relies upon or results in the consumer's failure to make timely
34 payments to creditors, that the failure to pay one's debts will
35 likely adversely affect the consumer's creditworthiness, may result
36 in the consumer being subject to collections efforts, including
37 lawsuits by creditors, and may increase the amount of money the
38 consumer owes due to the accrual of fees and interest;

39 (g) That, unless the consumer is insolvent, if a creditor
40 resolves a debt for less than its full amount, the resolution may

1 result in the creation of taxable income to the consumer, even though
2 the consumer does not receive any money;

3 (h) That specific results cannot be predicted or guaranteed, and
4 the licensee cannot require a creditor to negotiate or resolve a
5 debt;

6 (i) That debt resolution services programs require that
7 individuals meet regular savings goals in order to enable
8 resolutions;

9 (j) That the licensee does not provide tax, accounting, or legal
10 advice to individuals, unless the licensee is licensed in this state
11 to provide such advice;

12 (k) That the licensee is the consumer's advocate and does not
13 receive compensation of any sort from creditors for providing debt
14 resolution services to the consumer;

15 (l) That the licensee does not make monthly or other payments to
16 the consumer's creditors;

17 (m) The list of debts that the contract covers; and

18 (n) That, if applicable, the consumer's rights are subject to
19 mandatory arbitration of any and all disputes with the debt
20 resolution services provider.

21 (3) A contract may not:

22 (a) Provide for the application of the law of any jurisdiction
23 other than the United States and this state;

24 (b) Except as otherwise permitted by the laws of this state and
25 the federal arbitration act, 9 U.S.C. Sec. 1 et seq., contain a
26 provision that restricts an individual's remedies under this chapter
27 or any other law of this state; or

28 (c) Contain a provision that limits or releases the liability of
29 any person for not performing the contract or for violating this
30 chapter.

31 **Sec. 5.** RCW 18.28.110 and 1999 c 151 s 105 are each amended to
32 read as follows:

33 Every ~~((debt adjuster))~~ licensee providing debt adjusting
34 services shall perform the following functions:

35 (1) Make a permanent record of all payments by ~~((debtors))~~
36 consumers, or on the ~~((debtors'))~~ consumers' behalf, and of all
37 disbursements to creditors of such ~~((debtors))~~ consumers, and shall
38 keep and maintain in this state all such records, and all payments
39 not distributed to creditors. No person shall intentionally make any

1 false entry in any such record, or intentionally mutilate, destroy,
2 or otherwise dispose of any such record. Such records shall at all
3 times be open for inspection by the attorney general or the
4 (~~attorney general's authorized agent~~) department, and shall be
5 preserved as original records or by microfilm or other methods of
6 duplication for at least six years after making the final entry
7 therein.

8 (2) Deliver a completed copy of the contract between the debt
9 adjuster and a (~~debtor~~) consumer to the (~~debtor~~) consumer
10 immediately after the (~~debtor~~) consumer executes the contract, and
11 sign the (~~debtor's~~) consumer's copy of such contract.

12 (3) Unless paid by check or money order, deliver a receipt to a
13 (~~debtor~~) consumer for each payment within five days after receipt
14 of such payment.

15 (4) Distribute to the creditors of the (~~debtor~~) consumer at
16 least once each (~~forty~~) 40 days after receipt of payment during the
17 term of the contract at least (~~eighty-five~~) 85 percent of each
18 payment received from the (~~debtor~~) consumer.

19 (5) At least once every month render an accounting to the
20 (~~debtor~~) consumer which shall indicate the total amount received
21 from or on behalf of the (~~debtor~~) consumer, the total amount paid
22 to each creditor, the total amount which any creditor has agreed to
23 accept as payment in full on any debt owed the creditor by the
24 (~~debtor~~) consumer, the amount of charges deducted, and any amount
25 held in trust. The debt adjuster shall in addition render such an
26 account to a (~~debtor~~) consumer within (~~ten~~) 10 days after written
27 demand.

28 (6) Notify the (~~debtor~~) consumer, in writing, within five days
29 of notification to the debt adjuster by a creditor that the creditor
30 refuses to accept payment pursuant to the contract between the debt
31 adjuster and the (~~debtor~~) consumer.

32 **Sec. 6.** RCW 18.28.120 and 2015 c 167 s 3 are each amended to
33 read as follows:

34 A (~~debt adjuster~~) licensee providing debt adjusting services
35 shall not:

36 (1) Take any contract, or other instrument which has any blank
37 spaces when signed by the (~~debtor~~) consumer;

1 (2) Receive or charge any fee in the form of a promissory note or
2 other promise to pay or receive or accept any mortgage or other
3 security for any fee, whether as to real or personal property;

4 (3) Lend money or credit;

5 (4) Take any confession of judgment or power of attorney to
6 confess judgment against the ~~((debtor))~~ consumer or appear as the
7 ~~((debtor))~~ consumer in any judicial proceedings;

8 (5) Take, concurrent with the signing of the contract or as a
9 part of the contract or as part of the application for the contract,
10 a release of any obligation to be performed on the part of the debt
11 adjuster;

12 (6) ~~((Advertise services, display, distribute, broadcast or
13 televise, or permit services to be displayed, advertised,
14 distributed, broadcasted or televised in any manner whatsoever
15 wherein any false, misleading or deceptive statement or
16 representation with regard to the services to be performed by the
17 debt adjuster, or the charges to be made therefor, is made;~~

18 ~~(7))~~ Offer, pay, or give any cash, fee, gift, bonus, premiums,
19 reward, or other compensation to any person for referring any
20 prospective customer to the debt adjuster;

21 ~~((8))~~ (7) Receive any cash, fee, gift, bonus, premium, reward,
22 or other compensation, other than fair share contributions to a
23 nonprofit debt adjuster, from any person other than the ~~((debtor))~~
24 consumer or a person in the ~~((debtor's))~~ consumer's behalf in
25 connection with his or her activities as a debt adjuster; or

26 ~~((9))~~ (8) Disclose to anyone the ~~((debtors))~~ consumers who have
27 contracted with the debt adjuster; nor shall the debt adjuster
28 disclose the creditors of a ~~((debtor))~~ consumer to anyone other than:

29 (a) The ~~((debtor))~~ consumer; or (b) another creditor of the
30 ~~((debtor))~~ consumer and then only to the extent necessary to secure
31 the cooperation of such a creditor in a debt adjusting plan.

32 **Sec. 7.** RCW 18.28.130 and 1999 c 151 s 107 are each amended to
33 read as follows:

34 Without limiting the generality of the foregoing and other
35 applicable laws, the ~~((debt adjuster))~~ licensee providing debt
36 adjusting services, manager, or an employee of the debt adjuster
37 shall not:

38 (1) Prepare, advise, or sign a release of attachment or
39 garnishment, stipulation, affidavit for exemption, compromise

1 agreement or other legal or court document, nor furnish legal advice
2 or perform legal services of any kind;

3 (2) Represent that he or she is authorized or competent to
4 furnish legal advice or perform legal services;

5 (3) Assume authority on behalf of creditors or a ~~((debtor))~~
6 consumer or accept a power of attorney authorizing it to employ or
7 terminate the services of any attorney or to arrange the terms of or
8 compensate for such services; or

9 (4) Communicate with the ~~((debtor))~~ consumer or creditor or any
10 other person in the name of any attorney or upon the stationery of
11 any attorney or prepare any form or instrument which only attorneys
12 are authorized to prepare.

13 **Sec. 8.** RCW 18.28.140 and 1999 c 151 s 108 are each amended to
14 read as follows:

15 Nothing in this chapter shall be construed as prohibiting the
16 assignment of wages by a ~~((debtor))~~ consumer to a ~~((debt adjuster))~~
17 licensee providing debt adjusting services, if such assignment is
18 otherwise in accordance with the law of this state.

19 **Sec. 9.** RCW 18.28.150 and 1999 c 151 s 109 are each amended to
20 read as follows:

21 (1) Any payment received by a ~~((debt adjuster))~~ licensee
22 providing debt adjusting services from or on behalf of a ~~((debtor))~~
23 consumer shall be held in trust by the debt adjuster from the moment
24 it is received. The debt adjuster shall not commingle such payment
25 with the debt adjuster's own property or funds, but shall maintain a
26 separate trust account and deposit in such account all such payments
27 received. All disbursements whether to the ~~((debtor))~~ consumer or to
28 the creditors of the ~~((debtor))~~ consumer, or to the debt adjuster,
29 shall be made from such account.

30 (2) In the event that the ~~((debtor))~~ consumer cancels or defaults
31 on the contract between the ~~((debtor))~~ consumer and the debt
32 adjuster, the debt adjuster shall close out the ~~((debtor's))~~
33 consumer's trust account in the following manner:

34 (a) The debt adjuster may take from the account that amount
35 necessary to satisfy any fees, other than any cancellation or default
36 fee, authorized by this chapter.

37 (b) After deducting the fees provided in subsection (2)(a) of
38 this section, the debt adjuster shall distribute the remaining amount

1 in the account to the creditors of the ((debtor)) consumer. The
2 distribution shall be made within five days of the demand therefor by
3 the ((debtor)) consumer, but if the ((debtor)) consumer fails to make
4 the demand, then the debt adjuster shall make the distribution within
5 ((thirty)) 30 days of the date of cancellation or default.

6 **Sec. 10.** RCW 18.28.200 and 1967 c 201 s 20 are each amended to
7 read as follows:

8 Notwithstanding any other actions which may be brought under the
9 laws of this state, the director, through the attorney general ((~~or~~
10 ~~the prosecuting attorney of any county within the state~~)), l may bring
11 an action in the name of the state against any person to restrain and
12 prevent any violation of this chapter.

13 **Sec. 11.** RCW 18.28.210 and 2011 c 336 s 476 are each amended to
14 read as follows:

15 The director, through the attorney general l may accept an
16 assurance of discontinuance of any act or practice deemed in
17 violation of this chapter in the enforcement thereof from any person
18 engaging in or who has engaged in such act or practice. Any such
19 assurance shall be in writing and be filed with and subject to the
20 approval of the superior court of the county in which the alleged
21 violator resides or has his or her principal place of business, or in
22 the alternative, in Thurston county. Failure to perform the terms of
23 any such assurance shall constitute prima facie proof of a violation
24 of this chapter for the purpose of securing any injunction as
25 provided for in RCW 18.28.200 ((~~PROVIDED, That after commencement of~~
26 ~~any action by a prosecuting attorney, as provided therein, the~~
27 ~~attorney general may not accept an assurance of discontinuance~~
28 ~~without the consent of said prosecuting attorney~~)).

29 **Sec. 12.** RCW 18.28.220 and 1967 c 201 s 22 are each amended to
30 read as follows:

31 Any person who violates any injunction issued pursuant to this
32 chapter shall forfeit and pay a civil penalty of not more than ((~~one~~
33 ~~thousand dollars~~)) \$1,000. For the purpose of this section the
34 superior court issuing any injunction shall retain jurisdiction, and
35 the cause shall be continued, and in such cases the director, through
36 the attorney general acting in the name of the state l may petition
37 for the recovery of civil penalties.

1 NEW SECTION. **Sec. 13.** A new section is added to chapter 18.28
2 RCW to read as follows:

3 Beginning July 1, 2026, no person shall provide or offer to
4 provide debt adjusting or debt resolution services in this state
5 unless the person first obtains a license from the department as
6 required by this chapter.

7 NEW SECTION. **Sec. 14.** A new section is added to chapter 18.28
8 RCW to read as follows:

9 (1) A licensee shall obtain a license for the licensee's primary
10 business address.

11 (2) A license may not be transferred or assigned.

12 (3) A licensee shall file a surety bond in favor of this state in
13 an amount and form that the department determines before the licensee
14 may provide or offer to provide debt adjusting or debt resolution
15 services in this state, but in no event shall the amount of the bond
16 be greater than \$50,000.

17 (4) A licensee may not provide debt adjusting or debt resolution
18 services in this state under a business name other than the business
19 name that is listed on the licensee's license. However, a licensee
20 may do business under a fictitious business name, if the licensee
21 registers the fictitious business name with either the secretary of
22 state or department of revenue as required, and provides evidence of
23 the registration to the department.

24 (5) The department may adopt rules to implement this section and
25 may require a reasonable license and investigation fee in connection
26 with the issuance or renewal of any license required by this section.

27 NEW SECTION. **Sec. 15.** A new section is added to chapter 18.28
28 RCW to read as follows:

29 (1) The following persons are exempt from the requirements of
30 this chapter:

31 (a) For debt adjusters:

32 (i) Attorneys-at-law, escrow agents, accountants, broker-dealers
33 in securities, or investment advisors in securities, while performing
34 services solely incidental to the practice of their professions;

35 (ii) Any person, partnership, association, or corporation doing
36 business under and as permitted by any law of this state or of the
37 United States relating to banks, consumer finance businesses,
38 consumer loan companies, trust companies, mutual savings banks,

1 savings and loan associations, building and loan associations, credit
2 unions, crop credit associations, development credit corporations,
3 industrial development corporations, title insurance companies,
4 insurance companies, or third-party account administrators;

5 (iii) Persons who, as employees on a regular salary or wage of an
6 employer not engaged in the business of debt adjusting, perform
7 credit services for their employer;

8 (iv) Public officers while acting in their official capacities
9 and persons acting under court order;

10 (v) Any person while performing services incidental to the
11 dissolution, winding up or liquidation of a partnership, corporation,
12 or other business enterprise;

13 (vi) Nonprofit organizations dealing exclusively with debts owing
14 from commercial enterprises to business creditors;

15 (vii) Nonprofit organizations engaged in debt adjusting and which
16 do not assess against the debtor a service charge in excess of \$15
17 per month.

18 (b) For debt resolution services providers:

19 (i) A person organized under section 501(c) or (q) of the United
20 States internal revenue code;

21 (ii) Public officers while acting in their official capacities
22 and persons acting under court order;

23 (iii) Banks and their agents and employees;

24 (iv) Attorneys licensed to practice law in this state who provide
25 debt resolution services within an attorney-client relationship;

26 (v) Creditors or their employees who negotiate debt resolutions
27 with their consumers or with licensees acting on behalf of consumers;

28 (vi) Assignees for the benefit of creditors;

29 (vii) Certified public accountants licensed in this state who
30 provide debt resolution services within an accountant-client
31 relationship;

32 (viii) Dedicated account service providers that do not otherwise
33 provide debt resolution services for consumers; and

34 (ix) Persons, to the extent that the person provides or agrees to
35 provide debt resolution services to an individual who the person has
36 no reason to know resides in this state at the time the person agrees
37 to provide the services.

38 (2) The following persons are exempt from the licensing
39 requirement established in section 13 of this act:

40 (a) A licensee's employees; and

1 (b) Persons who market on behalf of licensees and do not
2 otherwise provide debt adjusting or debt resolution services.

3 NEW SECTION. **Sec. 16.** A new section is added to chapter 18.28
4 RCW to read as follows:

5 (1) The director shall administer the application process for
6 licensure and license renewal and determine the form and information
7 that the application must reasonably contain.

8 (2) An applicant for licensure must submit the following
9 information:

10 (a) Proof of a valid unified business identifier number;

11 (b) The applicant's name, principal business address, and
12 telephone number; all business addresses in this state; the principal
13 email address for the business; and the principal website address to
14 be used for the business;

15 (c) The name and business address of each executive officer and
16 member of the board of directors or equivalent leadership structure;

17 (d) A statement describing, to the extent it is known or should
18 be known by the applicant, any material civil or criminal judgment in
19 any jurisdiction or any enforcement action against the applicant or
20 any of its executive officers or members of its board of directors or
21 equivalent leadership structure by any local, state, or federal
22 government agency, in each case relating to debt adjusting, debt
23 pooling, prorating, activity as a credit services organization,
24 unfair and deceptive trade practices, false advertising, consumer
25 deception law or regulation, or any other similar law or regulation;

26 (e) A copy of each form of contract and the schedule of fees and
27 charges that the applicant will use with consumers who reside in this
28 state; and

29 (f) Income statements and balance sheets from the applicant for
30 the two fiscal years preceding the date of the application.
31 Notwithstanding any other requirement in this chapter or elsewhere,
32 material submitted pursuant to this section shall be held
33 confidential by the director.

34 (3) In connection with any application for renewal, the licensee
35 shall provide access to the licensee's books and records with respect
36 to consumers in this state that are being or have been serviced by
37 the licensee.

38 (4) The department may require each applicant applying for
39 initial licensure under this chapter to submit a full set of

1 fingerprints of each of the applicant's executive officers in order
2 for the department to obtain and receive national criminal history
3 records from the federal bureau of investigation criminal justice
4 information services division. Unless the department, as authorized
5 by (a) of this subsection, contracts, or makes use of any existing
6 contract, the department may submit each executive officer's
7 fingerprints, and the fee required to perform the criminal history
8 record checks, to the Washington state patrol and the federal bureau
9 of investigation for state and national criminal history record
10 checks. The department may require any fingerprints submitted
11 pursuant to this subsection to be provided in an electronic format.

12 (a) The department may contract, or make use of any existing
13 contract with this state, for the collection and transmission of
14 fingerprints authorized under this subsection. If the department
15 contracts, or makes use of an existing contract, the department may
16 order the applicant to pay the fee for collecting and transmitting
17 fingerprints to the contractor. The department may agree to a
18 reasonable fingerprinting fee to be charged by the contractor to the
19 applicant.

20 (b) The department shall treat and maintain any executive
21 officer's fingerprints and any criminal history record information
22 obtained under this subsection as confidential and limit the use of
23 records solely for the purposes authorized in this subsection. The
24 fingerprints and any criminal history record information are not
25 subject to subpoena, other than a subpoena issued in a criminal
26 action or investigation, and are confidential by law and privileged,
27 and are not subject to discovery or admissible in evidence in any
28 civil action.

29 (c) The department shall refuse to issue an initial license to an
30 applicant who does not provide fingerprints in compliance with this
31 subsection.

32 (5) An applicant or licensee shall notify the department within
33 30 days after a material change in any of the information submitted
34 in connection with any application or renewal application for a
35 license under this chapter including, but not limited to:

36 (a) A change in the licensee's principal place of business;

37 (b) A merger or dissolution related to the license; and

38 (c) A licensee pleading guilty to or being convicted of any
39 felony in a court of competent jurisdiction.

1 (6) The department may participate in a multistate licensing
2 system for the sharing of regulatory information and for the
3 licensing and application, by electronic or other means, of persons
4 engaged in the business of debt adjusting or debt resolution
5 services. The department may establish requirements for participation
6 by an applicant in a multistate licensing system, which may vary from
7 the provisions of this chapter. The applicant shall pay directly to a
8 multistate licensing system any additional fee relating to
9 participation in a multistate licensing system.

10 NEW SECTION. **Sec. 17.** A new section is added to chapter 18.28
11 RCW to read as follows:

12 (1) A license to provide debt adjusting or debt resolution
13 services is valid for a period of two years from the date of
14 issuance.

15 (2) The department may deny a license if:

16 (a) The applicant does not satisfy the criteria set forth in
17 section 16 of this act;

18 (b) The application contains information that is materially
19 erroneous or materially incomplete;

20 (c) The applicant fails to provide in a timely manner such
21 information as the department reasonably expects;

22 (d) An executive officer or member of the board of directors, or
23 equivalent leadership structure, of the applicant has been convicted
24 or pled nolo contendere to a felony or an act involving fraud,
25 deceit, or dishonesty; or

26 (e) An executive officer or member of the board of directors, or
27 equivalent leadership structure, of the applicant has had a
28 professional license revoked, suspended, or subjected to enforcement
29 action in any state, and the license has not been reinstated.

30 NEW SECTION. **Sec. 18.** A new section is added to chapter 18.28
31 RCW to read as follows:

32 (1) The department may suspend, revoke, or deny renewal of a
33 license if:

34 (a) The department asserts that the licensee has materially
35 violated this chapter or any rule adopted pursuant to this chapter or
36 any other law applicable to the conduct of the licensee's business
37 and the licensee has failed to cure the violation after notice and a
38 reasonable opportunity to cure the violation;

1 (b) A fact or condition exists that, if it had existed when the
2 licensee applied for a license, would have warranted the department
3 refusing to issue the license;

4 (c) The licensee does not satisfy the criteria for licensure set
5 forth in section 16 of this act;

6 (d) The licensee has refused to permit the department to examine
7 the licensee's books and records, failed to comply with section 28 of
8 this act, or made a material misrepresentation or omission in
9 complying with section 28 of this act; or

10 (e) The licensee has not responded within a reasonable time and
11 in an appropriate manner to the department's communications.

12 (2) If the department suspends, revokes, or denies renewal of a
13 license, the department may require the licensee to make available
14 the licensee's books and records with respect to any consumers in
15 this state that are being or have been serviced by the licensee.

16 (3) A licensee may deliver a written notice to the department to
17 surrender the licensee's license. However, if a licensee surrenders
18 the licensee's license, the licensee's civil or criminal liability
19 for acts committed before the surrender is not affected.

20 (4) Upon submission of a renewal application for a license and
21 until such time as a renewal application is approved or denied, the
22 licensee may continue to provide or offer to provide debt adjusting
23 or debt resolution services, but a suspension or denial of a license
24 terminates any right to provide or offer to provide debt adjusting or
25 debt resolution services in this state unless continuation is
26 approved by the department.

27 NEW SECTION. **Sec. 19.** A new section is added to chapter 18.28
28 RCW to read as follows:

29 (1) The director has the power and administrative discretion to
30 administer and interpret this chapter to facilitate the delivery of
31 debt resolution services and debt adjusting services to consumers of
32 this state.

33 (2) The director may issue rules and regulations to govern the
34 activities of licensed debt resolution services providers and debt
35 adjusters.

36 (3) The department may investigate the books, accounts, records,
37 and files of a licensee or any other person that the department has
38 reason to believe is providing or offering to provide debt adjusting
39 or debt resolution services in this state.

1 NEW SECTION. **Sec. 20.** A new section is added to chapter 18.28

2 RCW to read as follows:

3 (1) For a licensee providing debt resolution services, the
4 following practices are permitted:

5 (a) A licensee may request or require a consumer, as a condition
6 to the provision of debt resolution services, to establish and place
7 funds into a dedicated account administered by a dedicated account
8 service provider, provided that:

9 (i) The funds are held in a federal deposit insurance
10 corporation-insured financial institution;

11 (ii) The consumer owns the funds held in the account, including
12 all accrued interest on the account, if any;

13 (iii) The dedicated account service provider is not owned or
14 controlled by, or affiliated with, the debt resolution services
15 provider. For purposes of this subsection, "affiliated with" means a
16 dedicated account service provider that controls, is controlled by,
17 or is under common control with a licensee. For purposes of this
18 subsection, "control" means the direct or indirect possession of the
19 power to direct or cause the direction of the management of a
20 licensee, whether by contract or through ownership of more than 20
21 percent of the voting securities of the license;

22 (iv) The dedicated account service provider does not give or
23 accept any money or other compensation in exchange for referrals of
24 business involving the debt resolution services; and

25 (v) The consumer may terminate the debt resolution services at
26 any time without penalty by giving notice as required in section 21
27 of this act, and thereafter the licensee shall notify the dedicated
28 account service provider of the consumer's termination within five
29 business days of the consumer's notice.

30 (b) A licensee may extend credit to a consumer in the form of a
31 deferral of some or all of the licensee's fee for resolving the
32 consumer's debts, at no additional expense to the consumer. A
33 licensee may assist in arranging credit to the consumer if such
34 credit is extended to the consumer by or through a person that is
35 either separately licensed or authorized to perform lending in this
36 state or exempt from such licensure.

37 (2) For a licensee providing debt resolution services, the
38 following practices are required:

39 (a) A licensee shall maintain a toll-free telecommunications
40 system, staffed at a level that has adequate capacity to accept

1 requests from the reasonably anticipated volume of consumers
2 contacting the licensee during ordinary business hours.

3 (b) A licensee shall, at the time a contract is executed by a
4 consumer, or as shortly thereafter as practicable, distribute or
5 otherwise make available to the consumer a copy of the executed
6 contract. For purposes of this section, electronic distribution of an
7 executed contract is permitted if the consumer agrees.

8 NEW SECTION. **Sec. 21.** A new section is added to chapter 18.28
9 RCW to read as follows:

10 For debt resolution services contracts:

11 (1) A consumer may terminate a contract at any time without
12 penalty by notifying the licensee electronically, in writing, or
13 telephonically on a recorded line.

14 (2) Upon receipt of a consumer's notice of termination, a
15 licensee shall, as soon as possible but in all instances within two
16 business days, advise the consumer of the effect, if any, a
17 termination of the consumer's debt resolution services program would
18 have on previously negotiated installment resolution contracts and
19 pending resolution negotiations. Not later than five business days
20 following the delivery of such advice, and absent further instruction
21 from the consumer, a licensee shall notify the dedicated account
22 service provider of the consumer's termination and request that the
23 dedicated account service provider communicate with the consumer
24 regarding disposition of all funds held in the dedicated account.

25 (3) Notwithstanding the consumer's right to terminate as set
26 forth in subsection (1) of this section, the licensee is entitled to
27 recover all fees earned prior to the receipt of any termination
28 notice, provided that the fee is requested or received in compliance
29 with section 23 of this act.

30 NEW SECTION. **Sec. 22.** A new section is added to chapter 18.28
31 RCW to read as follows:

32 For debt resolution services contracts, if a consumer fails to
33 honor the consumer's contractual obligations on or before the 60th
34 day after the consumer was required to perform them, then the
35 licensee may terminate its contract with the consumer electronically
36 or in writing. If the licensee terminates the contract as permitted
37 in this section, the consumer will not owe any further payment to the
38 licensee as of the date the licensee terminates the contract, other

1 than for fees previously earned by the licensee. Notwithstanding this
2 section, if a consumer refuses to pay any fee to a licensee after the
3 payment has been earned by the licensee, then the licensee may, upon
4 proper notice to the consumer either electronically or in writing,
5 terminate the licensee's contract with the consumer immediately.

6 NEW SECTION. **Sec. 23.** A new section is added to chapter 18.28
7 RCW to read as follows:

8 For debt resolution services:

9 (1) A licensee may not impose, directly or indirectly, a fee or
10 other charge on a consumer or receive payment from or on behalf of a
11 consumer for performing debt resolution services except as provided
12 in this section.

13 (2) A licensee may not request or receive payment of any fee or
14 consideration for any debt resolution services until and unless:

15 (a) The licensee has renegotiated, resolved, reduced, or
16 otherwise altered the terms of at least one debt pursuant to a
17 resolution contract or other such valid contractual agreement
18 executed by the consumer and the creditor;

19 (b) The consumer has made at least one payment pursuant to the
20 resolution contract or other valid contractual agreement between the
21 consumer and the creditor; and

22 (c) To the extent that debts enrolled in a service are
23 renegotiated, resolved, reduced, or otherwise altered individually,
24 the fee or consideration either:

25 (i) Bears the same proportional relationship to the total fee for
26 renegotiating, resolving, reducing, or altering the terms of the
27 entire debt balance as the individual debt amount bears to the entire
28 debt amount. The individual debt amount and the entire debt amount
29 are those owed at the time the debt was enrolled in the service; or

30 (ii) Is a percentage of the amount saved as a result of the
31 renegotiation, resolution, reduction, or alteration. The percentage
32 charged cannot change from one individual debt to another. The amount
33 saved is the difference between the amount owed at the time the debt
34 was enrolled in the service and the amount actually paid to satisfy
35 the debt.

36 (3) A licensee may not impose charges or receive payment for debt
37 resolution services until the licensee and the consumer have signed a
38 contract that complies with RCW 18.28.100.

1 (4) Any fee or other charge imposed by or on behalf of a
2 dedicated account service provider in connection with the
3 administration of a dedicated account may not be considered a fee or
4 other charge imposed for performing debt resolution services for
5 purposes of this chapter.

6 (5) Any fee or other charge imposed by or on behalf of a third-
7 party legal service provider may not be considered a fee or other
8 charge imposed by a licensee for performing debt resolution services
9 for purposes of this chapter.

10 NEW SECTION. **Sec. 24.** A new section is added to chapter 18.28
11 RCW to read as follows:

12 A licensee providing debt resolution services, a person who
13 markets debt resolution services on behalf of a licensee, or a person
14 described in section 15(2)(b) of this act may not:

15 (1) Take or exercise a power of attorney that authorizes the
16 licensee to resolve a debt. For purposes of this subsection,
17 "resolve" means entering into a binding agreement to discharge in
18 full a debt in exchange for a payment of a certain sum of money;

19 (2) Send to creditors cease and desist notices, or require
20 consumers to notify creditors of changes of address or phone number,
21 meant to divert communication from the creditor to the debt
22 resolution services provider rather than the consumer;

23 (3) Exercise or attempt to exercise any authority of the consumer
24 after a licensee has received notice under section 21 of this act
25 that the consumer has terminated the consumer's contract with the
26 licensee;

27 (4) Initiate, or request that a dedicated account service
28 provider initiate, a transfer from a consumer's bank account unless
29 the transfer is:

30 (a) A return of money to the consumer;

31 (b) Before any termination of a contract and properly authorized
32 by the contract and this chapter for payment of a fee; or

33 (c) At the express direction of the consumer, to a consumer's
34 creditor to fund a negotiated resolution with that creditor;

35 (5) Receive consumer funds or control consumer funds, other than
36 to receive funds in payment of fees earned by the debt resolution
37 services provider;

38 (6) Resolve a debt or lead a consumer to believe that a payment
39 to a creditor is in resolution of a debt to the creditor unless, at

1 the time of resolution, the creditor confirms that the payment is in
2 full resolution of the debt or is part of a payment plan that, upon
3 completion, will be in full resolution of the debt;

4 (7) Make any representation that:

5 (a) The licensee will furnish money to pay bills or prevent
6 attachments; or

7 (b) Participation in a program will prevent litigation,
8 garnishment, attachment, repossession, foreclosure, eviction, or loss
9 of employment;

10 (8) Misrepresent that the licensee is able to furnish legal
11 advice or perform legal services;

12 (9) Misrepresent, directly or by implication, any material aspect
13 of any debt resolution services program including, but not limited
14 to:

15 (a) The amount of money or the percentage of the debt amount that
16 a consumer may save by using such services;

17 (b) The amount of time necessary to achieve the represented
18 results;

19 (c) The amount of money or the percentage of each outstanding
20 debt that the consumer must accumulate before the provider of the
21 debt resolution services will initiate attempts with the consumer's
22 creditors or make a bona fide offer to negotiate, resolve, or modify
23 the terms of the consumer's debt;

24 (d) The effect of the service on a consumer's creditworthiness;

25 (e) The effect of the service on collection efforts of the
26 consumer's creditors;

27 (f) The percentage or number of consumers who attain the
28 represented results; and

29 (g) Whether debt resolution services are offered or provided by a
30 nonprofit entity;

31 (10) Take a confession of judgment or power of attorney to
32 confess judgment against a consumer;

33 (11) Purchase a debt or obligation of the consumer, or obtain a
34 mortgage or other security interest from any person in connection
35 with the services provided to the consumer;

36 (12) Receive from or on behalf of a consumer a promissory note or
37 other negotiable instrument other than a check or a demand draft or a
38 postdated check or demand draft; or

39 (13) Except as permitted by federal law or by order of a court of
40 competent jurisdiction, disclose the identity or identifying

1 information of a consumer or the identity of the consumer's
2 creditors, except to the department, upon proper demand, or to the
3 extent necessary or appropriate to administer the program including,
4 but not limited to, a dedicated account service provider or to a
5 creditor of the consumer.

6 NEW SECTION. **Sec. 25.** A new section is added to chapter 18.28
7 RCW to read as follows:

8 (1) A licensee who provides debt resolution services shall
9 distribute or arrange to be distributed a statement of accounting to
10 a consumer:

11 (a) While a debt resolution services contract is in effect:

12 (i) At least once per month; and

13 (ii) On or before the fifth business day after a consumer
14 requests a statement of accounting from a licensee. However, this
15 section does not require a licensee to provide more than one
16 statement of accounting per month per consumer in response to the
17 consumer's request; and

18 (b) Within five business days from the date on which a consumer
19 or a licensee terminates a contract.

20 (2) A statement of accounting shall contain the following
21 information to the extent applicable:

22 (a) The amount of money that the consumer has deposited into the
23 consumer's dedicated account, and all withdrawals therefrom, from
24 initiation of the consumer's debt resolution services program;

25 (b) The amounts, dates, and creditors associated with each
26 resolution obtained by the licensee on behalf of the consumer;

27 (c) The fees that the licensee has charged to and collected from
28 the consumer in connection with each of the consumer's resolutions;

29 (d) The amount of money that the consumer holds in the consumer's
30 dedicated account; and

31 (e) With respect to each resolution obtained by the licensee for
32 the consumer:

33 (i) The total amount of money that the consumer paid to the
34 creditor in full discharge or satisfaction of the consumer's debt;

35 (ii) The amount of the debt at the time the licensee and the
36 consumer entered into their contract;

37 (iii) The amount of the debt at the time the creditor agreed to
38 resolve the debt; and

1 (iv) The amount of compensation that the licensee received or
2 will receive to resolve the debt.

3 (3) Notwithstanding the requirements set forth in subsection (1)
4 of this section, a licensee that enables, or arranges to enable, 24
5 hours per day, seven days a week, electronic access by a consumer to
6 all of the consumer's deposit account transaction information,
7 including all deposit and withdrawal activity, and electronic access
8 by a consumer to account activity including, but not limited to,
9 resolution information, account status, resolution dates, resolution
10 amounts, and fees paid, is deemed to have satisfied the content
11 requirements in subsection (1)(b) of this section and the
12 distribution requirements in subsection (1)(a) of this section.

13 NEW SECTION. **Sec. 26.** A new section is added to chapter 18.28
14 RCW to read as follows:

15 (1) A licensee may not, directly or through a person who markets
16 debt resolution services or debt adjusting services on behalf of a
17 licensee, advertise, announce, broadcast, display, distribute, print,
18 publish, televise, or permit any other person to advertise, announce,
19 broadcast, display, distribute, print, publish, or televise on the
20 licensee's behalf a statement or representation related to debt
21 resolution services or debt adjusting services that is deceptive,
22 false, or misleading.

23 (2) A licensee may not directly or indirectly provide anything of
24 value in exchange for favorable treatment in reviews or favorable
25 placement on rankings.

26 (3) Neither a licensee nor any affiliate of a licensee shall
27 directly or indirectly own or operate a website or other public-
28 facing resource presenting rankings or consumer reviews of the
29 licensee.

30 (4) A licensee may not make any statement or take any action that
31 is likely to mislead consumers regarding whether reviews the licensee
32 uses to advertise its business accurately reflect all reviews
33 consumers have submitted to the licensee.

34 (5) A licensee shall comply with 16 C.F.R. Part 255 and with the
35 Consumer Financial Protection Bureau Bulletin 2022-05: Unfair and
36 Deceptive Acts or Practices That Impede Consumer Reviews.

37 NEW SECTION. **Sec. 27.** A new section is added to chapter 18.28
38 RCW to read as follows:

1 (1) At the time of providing to a consumer any materials or
2 contracts required by this chapter, a licensee shall inform the
3 consumer that upon electronic, telephonic, or written request, the
4 licensee shall send the consumer a copy of the materials and shall
5 comply with a request as provided in subsection (2) of this section.

6 (2) If a consumer submits a request to a licensee, before the
7 expiration of 90 days after a debt adjuster or debt resolution
8 services program is completed or terminated, to send a copy of the
9 materials required by this chapter, the licensee shall send them to
10 the consumer at no charge within five business days after the
11 request, but the licensee is not required to comply with a request
12 more than once per calendar month or if it reasonably believes the
13 request is made for purposes of harassment. If a request is made more
14 than 90 days and less than two years after a program is completed or
15 terminated, the licensee must send within a reasonable time a copy of
16 the materials requested. The licensee is not required to comply with
17 any request from a consumer made more than the later of:

18 (a) Two years after a debt adjuster or debt resolution services
19 program is completed or terminated; or

20 (b) The expiration of the statute of limitations governing
21 contracts in this state.

22 (3) A licensee that maintains a website shall disclose on the
23 home page or on a page that is clearly and conspicuously connected to
24 the home page by a link that clearly reveals its contents:

25 (a) The licensee's name and all names under which the licensee
26 does business in this state; and

27 (b) The licensee's principal business address, telephone number,
28 and email address, if any.

29 (4) Any licensee shall keep, for a period of two years from the
30 date the record is produced, the following records:

31 (a) All substantially different advertising, brochures,
32 telemarketing scripts, promotional materials, and supportive data;

33 (b) The name and last known address of each consumer, the goods
34 or services purchased, the date such goods or services were first
35 provided or the consumer signed a contract for the provision of goods
36 or services, and the amount paid by the consumer for the goods or
37 services; and

38 (c) The name, any fictitious name used, the last known home
39 address and telephone number, and the job titles for all current and
40 former employees directly involved in sales or solicitations.

1 However, if the licensee permits fictitious names to be used by
2 employees, each fictitious name must be traceable to only one
3 specific employee.

4 (5) In addition to the records required by subsection (4) of this
5 section, the licensee must keep a copy of each signed contract with
6 any consumer for not less than five years from the date that the
7 consumer either graduates or terminates a debt resolution services
8 program or a contract for debt adjusting services.

9 (6) A licensee may keep the records required by subsections (4)
10 and (5) of this section in any form, and in the same manner, format,
11 or place as they keep such records in the ordinary course of
12 business. Failure to keep all records required by subsections (4) and
13 (5) of this section shall be a violation of this chapter.

14 (7) In the event of any dissolution or termination of the
15 licensee's business, the principal of that licensee shall maintain
16 all records as required under subsections (4) and (5) of this
17 section. In the event of any sale, assignment, or other change in
18 ownership of the licensee's business, the successor business shall
19 maintain all records required under subsections (4) and (5) of this
20 section.

21 NEW SECTION. **Sec. 28.** A new section is added to chapter 18.28
22 RCW to read as follows:

23 (1) A licensee shall file with the department an annual report in
24 writing, under oath, that includes the following information for the
25 calendar year reporting period:

- 26 (a) Total number of active consumers in this state;
- 27 (b) Total number of enrolled consumers in this state; and
- 28 (c) Total fees collected in this state.

29 (2) If a licensee neglects to file an annual report or fails to
30 amend the same on or before the 30th day after the department
31 provides notice to the licensee, then the department may assess civil
32 penalties and suspend, revoke, or refuse to renew any license under
33 this chapter.

34 NEW SECTION. **Sec. 29.** A new section is added to chapter 18.28
35 RCW to read as follows:

36 Transactions entered into before the effective date of this
37 section, and the rights, duties, and interests resulting from them,
38 may be completed, terminated, or enforced as required or permitted by

1 a law amended, repealed, modified, or preempted by this act as though
2 the amendment, repeal, modification, or preemption had not occurred.

3 NEW SECTION. **Sec. 30.** The following acts or parts of acts are
4 each repealed:

5 (1) RCW 18.28.165 (Investigations) and 1999 c 151 s 110 & 1979 c
6 156 s 7;

7 (2) RCW 18.28.800 (Nonprofit or exempt organizations—Report) and
8 2015 c 167 s 4; and

9 (3) RCW 18.28.900 (Saving prior contracts) and 1967 c 201 s 23.

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