

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5480

Chapter 145, Laws of 2025

69th Legislature
2025 Regular Session

MEDICAL DEBT—CONSUMER CREDIT REPORTING

EFFECTIVE DATE: July 27, 2025

Passed by the Senate February 26,
2025

Yeas 35 Nays 12

DENNY HECK

President of the Senate

Passed by the House April 9, 2025

Yeas 59 Nays 38

Laurie Jinkins

**Speaker of the House of
Representatives**

Approved April 22, 2025 2:38 PM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5480** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

April 23, 2025

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5480

Passed Legislature - 2025 Regular Session

State of Washington

69th Legislature

2025 Regular Session

By Senate Law & Justice (originally sponsored by Senators Riccelli, Bateman, Alvarado, Chapman, Hasegawa, Lovelett, Nobles, Orwall, Ramos, Robinson, Slatter, Stanford, Trudeau, Valdez, and C. Wilson)

READ FIRST TIME 02/07/25.

1 AN ACT Relating to protecting consumers by removing barriers
2 created by medical debt; amending RCW 19.16.100, 19.182.040,
3 70.41.400, and 70.54.005; reenacting and amending RCW 19.16.250; and
4 adding a new section to chapter 70.54 RCW.

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

6 **Sec. 1.** RCW 19.16.100 and 2020 c 30 s 1 are each amended to read
7 as follows:

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

- 11 (1) "Board" means the Washington state collection agency board.
12 (2) "Claim" means any obligation for the payment of money or
13 thing of value arising out of any agreement or contract, express or
14 implied.
15 (3) "Client" or "customer" means any person authorizing or
16 employing a collection agency to collect a claim.
17 (4) "Collection agency" means and includes:
18 (a) Any person directly or indirectly engaged in soliciting
19 claims for collection, or collecting or attempting to collect claims
20 owed or due or asserted to be owed or due another person;

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

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

12 (d) A debt buyer as defined in this section;

13 (e) Any person or entity attempting to enforce a lien under
14 chapter 60.44 RCW, other than the person or entity originally
15 entitled to the lien.

16 (5) "Collection agency" does not mean and does not include:

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

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

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

37 (d) Any person who on behalf of another person prepares or mails
38 monthly or periodic statements of accounts due if all payments are
39 made to that other person and no other collection efforts are made by
40 the person preparing the statements of account;

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

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

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

13 (7) "Debt buyer" means any person or entity that is engaged in
14 the business of purchasing delinquent or charged off claims for
15 collection purposes, whether it collects the claims itself or hires a
16 third party for collection or an attorney for litigation in order to
17 collect such claims.

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

19 (9) "Director" means the director of licensing.

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

21 (11) "Medical debt" means any ~~((obligation for the payment of~~
22 ~~money arising out of any agreement or contract, express or implied,~~
23 ~~for the provision of health care services as defined in RCW~~
24 ~~48.44.010. In the context of "medical debt," "charity care" has the~~
25 ~~same meaning as provided in RCW 70.170.020.)) debt owed by a consumer
26 to a person whose primary business is providing medical services,
27 products, or devices, or to the person's agent or assignee, for the
28 provision of medical services, products, or devices. Medical debt
29 includes, but is not limited to, medical bills that are not past due
30 or that have been paid. For the purposes of this subsection, "medical
31 service, product, or device" includes, but is not limited to, any
32 service, drug, medication, product, or device sold, offered, or
33 provided to a patient by a health care provider or health care
34 facility, as defined in RCW 48.43.005, except that it does not
35 include cosmetic surgery. "Cosmetic surgery" shall not include
36 reconstructive surgery when such service is incidental to or follows
37 surgery resulting from trauma, infection, or other diseases of the
38 involved party.~~

39 (12) "Out-of-state collection agency" means a person whose
40 activities within this state are limited to collecting debts from

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

7 (13) "Person" includes individual, firm, partnership, trust,
8 joint venture, association, or corporation.

9 (14) "Statement of account" means a report setting forth only
10 amounts billed, invoices, credits allowed, or aged balance due.

11 NEW SECTION. **Sec. 2.** A new section is added to chapter 70.54
12 RCW to read as follows:

13 (1) A medical debt is void and unenforceable if a person, health
14 care provider, health care facility, or licensed collection agency
15 violates this section by furnishing information regarding the medical
16 debt to a consumer credit reporting agency.

17 (2) The legislature finds that the practices covered by this
18 section are matters vitally affecting the public interest for the
19 purpose of applying the consumer protection act, chapter 19.86 RCW. A
20 violation of this section is not reasonable in relation to the
21 development and preservation of business and is an unfair or
22 deceptive act in trade or commerce and an unfair method of
23 competition for the purpose of applying the consumer protection act,
24 chapter 19.86 RCW.

25 **Sec. 3.** RCW 19.16.250 and 2019 c 227 s 4 and 2019 c 201 s 2 are
26 each reenacted and amended to read as follows:

27 No licensee or employee of a licensee shall:

28 (1) Directly or indirectly aid or abet any unlicensed person to
29 engage in business as a collection agency in this state or receive
30 compensation from such unlicensed person: PROVIDED, That nothing in
31 this chapter shall prevent a licensee from accepting, as forwarder,
32 claims for collection from a collection agency or attorney whose
33 place of business is outside the state.

34 (2) Collect or attempt to collect a claim by the use of any means
35 contrary to the postal laws and regulations of the United States
36 postal department.

37 (3) Publish or post or cause to be published or posted, any list
38 of debtors commonly known as "bad debt lists" or threaten to do so.

1 For purposes of this chapter, a "bad debt list" means any list of
2 natural persons alleged to fail to honor their lawful debts. However,
3 nothing herein shall be construed to prohibit a licensee from
4 communicating to its customers or clients by means of a coded list,
5 the existence of a check dishonored because of insufficient funds,
6 not sufficient funds or closed account by the financial institution
7 servicing the debtor's checking account: PROVIDED, That the debtor's
8 identity is not readily apparent: PROVIDED FURTHER, That the licensee
9 complies with the requirements of subsection (10)(e) of this section.

10 (4) Have in his or her possession or make use of any badge, use a
11 uniform of any law enforcement agency or any simulation thereof, or
12 make any statements which might be construed as indicating an
13 official connection with any federal, state, county, or city law
14 enforcement agency, or any other governmental agency, while engaged
15 in collection agency business.

16 (5) Perform any act or acts, either directly or indirectly,
17 constituting the unauthorized practice of law.

18 (6) Advertise for sale or threaten to advertise for sale any
19 claim as a means of endeavoring to enforce payment thereof or
20 agreeing to do so for the purpose of soliciting claims, except where
21 the licensee has acquired claims as an assignee for the benefit of
22 creditors or where the licensee is acting under court order.

23 (7) Use any name while engaged in the making of a demand for any
24 claim other than the name set forth on his or her or its current
25 license issued hereunder.

26 (8) Give or send to any debtor or cause to be given or sent to
27 any debtor, any notice, letter, message, or form, other than through
28 proper legal action, process, or proceedings, which represents or
29 implies that a claim exists unless it shall indicate in clear and
30 legible type:

31 (a) The name of the licensee and the city, street, and number at
32 which he or she is licensed to do business;

33 (b) The name of the original creditor to whom the debtor owed the
34 claim if such name is known to the licensee or employee: PROVIDED,
35 That upon written request of the debtor, the licensee shall provide
36 this name to the debtor or cease efforts to collect on the debt until
37 this information is provided;

38 (c) If the notice, letter, message, or form is the first notice
39 to the debtor or if the licensee is attempting to collect a different

1 amount than indicated in his or her or its first notice to the
2 debtor, an itemization of the claim asserted must be made including:

3 (i) Amount owing on the original obligation at the time it was
4 received by the licensee for collection or by assignment;

5 (ii) Interest or service charge, collection costs, or late
6 payment charges, if any, added to the original obligation by the
7 original creditor, customer or assignor before it was received by the
8 licensee for collection, if such information is known by the licensee
9 or employee: PROVIDED, That upon written request of the debtor, the
10 licensee shall make a reasonable effort to obtain information on such
11 items and provide this information to the debtor;

12 (iii) Interest or service charge, if any, added by the licensee
13 or customer or assignor after the obligation was received by the
14 licensee for collection;

15 (iv) Collection costs, if any, that the licensee is attempting to
16 collect;

17 (v) Attorneys' fees, if any, that the licensee is attempting to
18 collect on his or her or its behalf or on the behalf of a customer or
19 assignor; and

20 (vi) Any other charge or fee that the licensee is attempting to
21 collect on his or her or its own behalf or on the behalf of a
22 customer or assignor;

23 (d) If the notice, letter, message, or form concerns a judgment
24 obtained against the debtor, no itemization of the amounts contained
25 in the judgment is required, except postjudgment interest, if
26 claimed, and the current account balance;

27 (e) If the notice, letter, message, or form is the first notice
28 to the debtor, an itemization of the claim asserted must be made
29 including the following information:

30 (i) The original account number or redacted original account
31 number assigned to the debt, if known to the licensee or employee:
32 PROVIDED, That upon written request of the debtor, the licensee must
33 make a reasonable effort to obtain this information or cease efforts
34 to collect on the debt until this information is provided; and

35 (ii) The date of the last payment to the creditor on the subject
36 debt by the debtor, if known to the licensee or employee: PROVIDED,
37 That upon written request of the debtor, the licensee must make a
38 reasonable effort to obtain this information or cease efforts to
39 collect on the debt until this information is provided.

1 (9) Communicate in writing with a debtor concerning a claim
2 through a proper legal action, process, or proceeding, where such
3 communication is the first written communication with the debtor,
4 without providing the information set forth in subsection (8)(c) of
5 this section in the written communication.

6 (10) Communicate or threaten to communicate, the existence of a
7 claim to a person other than one who might be reasonably expected to
8 be liable on the claim in any manner other than through proper legal
9 action, process, or proceedings except under the following
10 conditions:

11 (a) Except as provided in subsection (28)(~~(e)~~) (a)(iii) of this
12 section, a licensee or employee of a licensee may inform a credit
13 reporting bureau of the existence of a claim. If the licensee or
14 employee of a licensee reports a claim to a credit reporting bureau,
15 the licensee shall, upon receipt of written notice from the debtor
16 that any part of the claim is disputed, notify the credit reporting
17 bureau of the dispute by written or electronic means and create a
18 record of the fact of the notification and when the notification was
19 provided;

20 (b) A licensee or employee in collecting or attempting to collect
21 a claim may communicate the existence of a claim to a debtor's
22 employer if the claim has been reduced to a judgment;

23 (c) A licensee or employee in collecting or attempting to collect
24 a claim that has not been reduced to judgment, may communicate the
25 existence of a claim to a debtor's employer if:

26 (i) The licensee or employee has notified or attempted to notify
27 the debtor in writing at his or her last known address or place of
28 employment concerning the claim and the debtor after a reasonable
29 time has failed to pay the claim or has failed to agree to make
30 payments on the claim in a manner acceptable to the licensee, and

31 (ii) The debtor has not in writing to the licensee disputed any
32 part of the claim: PROVIDED, That the licensee or employee may only
33 communicate the existence of a claim which has not been reduced to
34 judgment to the debtor's employer once unless the debtor's employer
35 has agreed to additional communications.

36 (d) A licensee may for the purpose of locating the debtor or
37 locating assets of the debtor communicate the existence of a claim to
38 any person who might reasonably be expected to have knowledge of the
39 whereabouts of a debtor or the location of assets of the debtor if

1 the claim is reduced to judgment, or if not reduced to judgment,
2 when:

3 (i) The licensee or employee has notified or attempted to notify
4 the debtor in writing at his or her last known address or last known
5 place of employment concerning the claim and the debtor after a
6 reasonable time has failed to pay the claim or has failed to agree to
7 make payments on the claim in a manner acceptable to the licensee,
8 and

9 (ii) The debtor has not in writing disputed any part of the
10 claim.

11 (e) A licensee may communicate the existence of a claim to its
12 customers or clients if the claim is reduced to judgment, or if not
13 reduced to judgment, when:

14 (i) The licensee has notified or attempted to notify the debtor
15 in writing at his or her last known address or last known place of
16 employment concerning the claim and the debtor after a reasonable
17 time has failed to pay the claim or has failed to agree to make
18 payments on the claim in a manner acceptable to the licensee, and

19 (ii) The debtor has not in writing disputed any part of the
20 claim.

21 (11) Threaten the debtor with impairment of his or her credit
22 rating if a claim is not paid: PROVIDED, That advising a debtor that
23 the licensee has reported or intends to report a claim to a credit
24 reporting agency is not considered a threat if the licensee actually
25 has reported or intends to report the claim to a credit reporting
26 agency.

27 (12) Communicate with the debtor after notification in writing
28 from an attorney representing such debtor that all further
29 communications relative to a claim should be addressed to the
30 attorney: PROVIDED, That if a licensee requests in writing
31 information from an attorney regarding such claim and the attorney
32 does not respond within a reasonable time, the licensee may
33 communicate directly with the debtor until he or she or it again
34 receives notification in writing that an attorney is representing the
35 debtor.

36 (13) Communicate with a debtor or anyone else in such a manner as
37 to harass, intimidate, threaten, or embarrass a debtor, including but
38 not limited to communication at an unreasonable hour, with
39 unreasonable frequency, by threats of force or violence, by threats
40 of criminal prosecution, and by use of offensive language. A

1 communication shall be presumed to have been made for the purposes of
2 harassment if:

3 (a) It is made with a debtor or spouse in any form, manner, or
4 place, more than three times in a single week, unless the licensee is
5 responding to a communication from the debtor or spouse;

6 (b) It is made with a debtor at his or her place of employment
7 more than one time in a single week, unless the licensee is
8 responding to a communication from the debtor;

9 (c) It is made with the debtor or spouse at his or her place of
10 residence between the hours of 9:00 p.m. and 7:30 a.m. A call to a
11 telephone is presumed to be received in the local time zone to which
12 the area code of the number called is assigned for landline numbers,
13 unless the licensee reasonably believes the telephone is located in a
14 different time zone. If the area code is not assigned to landlines in
15 any specific geographic area, such as with toll-free telephone
16 numbers, a call to a telephone is presumed to be received in the
17 local time zone of the debtor's last known place of residence, unless
18 the licensee reasonably believes the telephone is located in a
19 different time zone.

20 (14) Communicate with the debtor through use of forms or
21 instruments that simulate the form or appearance of judicial process,
22 the form or appearance of government documents, or the simulation of
23 a form or appearance of a telegraphic or emergency message.

24 (15) Communicate with the debtor and represent or imply that the
25 existing obligation of the debtor may be or has been increased by the
26 addition of attorney fees, investigation fees, service fees, or any
27 other fees or charges when in fact such fees or charges may not
28 legally be added to the existing obligation of such debtor.

29 (16) Threaten to take any action against the debtor which the
30 licensee cannot legally take at the time the threat is made.

31 (17) Send any telegram or make any telephone calls to a debtor or
32 concerning a debt or for the purpose of demanding payment of a claim
33 or seeking information about a debtor, for which the charges are
34 payable by the addressee or by the person to whom the call is made:
35 PROVIDED, That:

36 (a) This subsection does not prohibit a licensee from attempting
37 to communicate by way of a cellular telephone or other wireless
38 device: PROVIDED, That a licensee cannot cause charges to be incurred
39 to the recipient of the attempted communication more than three times
40 in any calendar week when the licensee knows or reasonably should

1 know that the number belongs to a cellular telephone or other
2 wireless device, unless the licensee is responding to a communication
3 from the debtor or the person to whom the call is made.

4 (b) The licensee is not in violation of (a) of this subsection if
5 the licensee at least monthly updates its records with information
6 provided by a commercial provider of cellular telephone lists that
7 the licensee in good faith believes provides reasonably current and
8 comprehensive data identifying cellular telephone numbers, calls a
9 number not appearing in the most recent list provided by the
10 commercial provider, and does not otherwise know or reasonably should
11 know that the number belongs to a cellular telephone.

12 (c) This subsection may not be construed to increase the number
13 of communications permitted pursuant to subsection (13)(a) of this
14 section.

15 (18) Call, or send a text message or other electronic
16 communication to, a cellular telephone or other wireless device more
17 than twice in any day when the licensee knows or reasonably should
18 know that the number belongs to a cellular telephone or other
19 wireless device, unless the licensee is responding to a communication
20 from the debtor or the person to whom the call, text message, or
21 other electronic communication is made. The licensee is not in
22 violation of this subsection if the licensee at least monthly updates
23 its records with information provided by a commercial provider of
24 cellular telephone lists that the licensee in good faith believes
25 provides reasonably current and comprehensive data identifying
26 cellular telephone numbers, calls a number not appearing in the most
27 recent list provided by the commercial provider, and does not
28 otherwise know or reasonably should know that the number belongs to a
29 cellular telephone. Nothing in this subsection may be construed to
30 increase the number of communications permitted pursuant to
31 subsection (13)(a) of this section.

32 (19) Intentionally block its telephone number from displaying on
33 a debtor's telephone.

34 (20) In any manner convey the impression that the licensee is
35 vouched for, bonded to or by, or is an instrumentality of the state
36 of Washington or any agency or department thereof.

37 (21) Collect or attempt to collect in addition to the principal
38 amount of a claim any sum other than allowable interest, collection
39 costs or handling fees expressly authorized by statute, and, in the
40 case of suit, attorney's fees and taxable court costs. A licensee may

1 collect or attempt to collect collection costs and fees, including
2 contingent collection fees, as authorized by a written agreement or
3 contract, between the licensee's client and the debtor, in the
4 collection of a commercial claim. The amount charged to the debtor
5 for collection services shall not exceed thirty-five percent of the
6 commercial claim.

7 (22) Procure from a debtor or collect or attempt to collect on
8 any written note, contract, stipulation, promise or acknowledgment
9 under which a debtor may be required to pay any sum other than
10 principal, allowable interest, except as noted in subsection (21) of
11 this section, and, in the case of suit, attorney's fees and taxable
12 court costs.

13 (23) Bring an action or initiate an arbitration proceeding on a
14 claim when the licensee knows, or reasonably should know, that such
15 suit or arbitration is barred by the applicable statute of
16 limitations.

17 (24) Upon notification by a debtor that the debtor disputes all
18 debts arising from a series of dishonored checks, automated
19 clearinghouse transactions on a demand deposit account, or other
20 preprinted written instruments, initiate oral contact with a debtor
21 more than one time in an attempt to collect from the debtor debts
22 arising from the identified series of dishonored checks, automated
23 clearinghouse transactions on a demand deposit account, or other
24 preprinted written instruments when: (a) Within the previous one
25 hundred eighty days, in response to the licensee's attempt to collect
26 the initial debt assigned to the licensee and arising from the
27 identified series of dishonored checks, automated clearinghouse
28 transactions on a demand deposit account, or other preprinted written
29 instruments, the debtor in writing notified the licensee that the
30 debtor's checkbook or other series of preprinted written instruments
31 was stolen or fraudulently created; (b) the licensee has received
32 from the debtor a certified copy of a police report referencing the
33 theft or fraudulent creation of the checkbook, automated
34 clearinghouse transactions on a demand deposit account, or series of
35 preprinted written instruments; (c) in the written notification to
36 the licensee or in the police report, the debtor identified the
37 financial institution where the account was maintained, the account
38 number, the magnetic ink character recognition number, the full bank
39 routing and transit number, and the check numbers of the stolen
40 checks, automated clearinghouse transactions on a demand deposit

1 account, or other preprinted written instruments, which check numbers
2 included the number of the check that is the subject of the
3 licensee's collection efforts; (d) the debtor provides, or within the
4 previous one hundred eighty days provided, to the licensee a legible
5 copy of a government-issued photo identification, which contains the
6 debtor's signature and which was issued prior to the date of the
7 theft or fraud identified in the police report; and (e) the debtor
8 advised the licensee that the subject debt is disputed because the
9 identified check, automated clearinghouse transaction on a demand
10 deposit account, or other preprinted written instrument underlying
11 the debt is a stolen or fraudulently created check or instrument.

12 The licensee is not in violation of this subsection if the
13 licensee initiates oral contact with the debtor more than one time in
14 an attempt to collect debts arising from the identified series of
15 dishonored checks, automated clearinghouse transactions on a demand
16 deposit account, or other preprinted written instruments when: (i)
17 The licensee acted in good faith and relied on their established
18 practices and procedures for batching, recording, or packeting debtor
19 accounts, and the licensee inadvertently initiates oral contact with
20 the debtor in an attempt to collect debts in the identified series
21 subsequent to the initial debt assigned to the licensee; (ii) the
22 licensee is following up on collection of a debt assigned to the
23 licensee, and the debtor has previously requested more information
24 from the licensee regarding the subject debt; (iii) the debtor has
25 notified the licensee that the debtor disputes only some, but not all
26 the debts arising from the identified series of dishonored checks,
27 automated clearinghouse transactions on a demand deposit account, or
28 other preprinted written instruments, in which case the licensee
29 shall be allowed to initiate oral contact with the debtor one time
30 for each debt arising from the series of identified checks, automated
31 clearinghouse transactions on a demand deposit account, or written
32 instruments and initiate additional oral contact for those debts that
33 the debtor acknowledges do not arise from stolen or fraudulently
34 created checks or written instruments; (iv) the oral contact is in
35 the context of a judicial, administrative, arbitration, mediation, or
36 similar proceeding; or (v) the oral contact is made for the purpose
37 of investigating, confirming, or authenticating the information
38 received from the debtor, to provide additional information to the
39 debtor, or to request additional information from the debtor needed

1 by the licensee to accurately record the debtor's information in the
2 licensee's records.

3 (25) Bring an action or initiate an arbitration proceeding on a
4 claim for any amounts related to a transfer of sale of a vehicle
5 when:

6 (a) The licensee has been informed or reasonably should know that
7 the department of licensing transfer of sale form was filed in
8 accordance with RCW 46.12.650 (1) through (3);

9 (b) The licensee has been informed or reasonably should know that
10 the transfer of the vehicle either (i) was not made pursuant to a
11 legal transfer or (ii) was not voluntarily accepted by the person
12 designated as the purchaser/transferee; and

13 (c) Prior to the commencement of the action or arbitration, the
14 licensee has received from the putative transferee a copy of a police
15 report referencing that the transfer of sale of the vehicle either
16 (i) was not made pursuant to a legal transfer or (ii) was not
17 voluntarily accepted by the person designated as the purchaser/
18 transferee.

19 (26) Submit an affidavit or other request pursuant to chapter
20 6.32 RCW asking a superior or district court to transfer a bond
21 posted by a debtor subject to a money judgment to the licensee, when
22 the debtor has appeared as required.

23 (27) Serve a debtor with a summons and complaint unless the
24 summons and complaint have been filed with the court and bear the
25 case number assigned by the court.

26 (28) (a) If the claim involves medical debt:

27 (~~(a)~~) (i) Fail to include, with the first written notice to the
28 debtor, a statement that informs the debtor of the debtor's right to
29 request the original account number or redacted original account
30 number assigned to the debt, the date of the last payment, and an
31 itemized statement as provided in (~~(b)~~) (a)(ii) of this subsection
32 (28);

33 (~~(b)(i)~~) (ii)(A) Fail to provide to the debtor, upon written or
34 oral request by the debtor for more information than is contained in
35 a general balance due letter, an itemized statement free of charge.
36 Unless and until the licensee provides the itemized statement, the
37 licensee must cease all collection efforts. The itemized statement
38 must include:

39 (~~(A)~~) (I) The name and address of the medical creditor;

40 (~~(B)~~) (II) The date, dates, or date range of service;

1 ~~((C))~~ (III) The health care services provided to the patient as
2 indicated by the health care provider in a statement provided to the
3 licensee;

4 ~~((D))~~ (IV) The amount of principal for any medical debt or
5 debts incurred;

6 ~~((E))~~ (V) Any adjustment to the bill, such as negotiated
7 insurance rates or other discounts;

8 ~~((F))~~ (VI) The amount of any payments received, whether from
9 the patient or any other party;

10 ~~((G))~~ (VII) Any interest or fees; and

11 ~~((H))~~ (VIII) Whether the patient was found eligible for charity
12 care or other reductions and, if so, the amount due after all charity
13 care and other reductions have been applied to the itemized
14 statement;

15 ~~((ii))~~ (B) In the event the debtor has entered into a voluntary
16 payment agreement, the debtor shall give notice if he or she wants
17 the payment plan discontinued. If no notice is given, the payment
18 arrangement may continue.

19 ~~((iii))~~ (C) Properly executed postjudgment writs, including
20 writs of garnishment and execution, are not required to be ceased and
21 second or subsequent requests for information already provided do not
22 require the cessation of collection efforts;

23 ~~((e))~~ (iii) Report adverse information to consumer credit
24 reporting agencies or credit bureaus ~~((until at least one hundred
25 eighty days after the original obligation was received by the
26 licensee for collection or by assignment))~~.

27 (b) The legislature finds that the practices covered by this
28 subsection are matters vitally affecting the public interest for the
29 purpose of applying the consumer protection act, chapter 19.86 RCW. A
30 violation of this subsection is not reasonable in relation to the
31 development and preservation of business and is an unfair or
32 deceptive act in trade or commerce and an unfair method of
33 competition for the purpose of applying the consumer protection act,
34 chapter 19.86 RCW.

35 (29) If the claim involves hospital debt:

36 (a) Fail to include, with the first written notice to the debtor,
37 a notice that the debtor may be eligible for charity care from the
38 hospital, together with the contact information for the hospital;

39 (b) Collect or attempt to collect a claim related to hospital
40 debt during the pendency of an application for charity care

1 sponsorship or an appeal from a final determination of charity care
2 sponsorship status. However, this prohibition is only applicable if
3 the licensee has received notice of the pendency of the application
4 or appeal.

5 **Sec. 4.** RCW 19.182.040 and 2011 c 333 s 2 are each amended to
6 read as follows:

7 (1) Except as authorized under subsection (2) of this section, no
8 consumer reporting agency may make a consumer report containing any
9 of the following items of information:

10 (a) Bankruptcies that, from date of adjudication of the most
11 recent bankruptcy, antedate the report by more than ten years;

12 (b) Suits and judgments that, from date of entry, antedate the
13 report by more than seven years or until the governing statute of
14 limitations has expired, whichever is the longer period;

15 (c) Paid tax liens that, from date of payment, antedate the
16 report by more than seven years;

17 (d) Accounts placed for collection or charged to profit and loss
18 that antedate the report by more than seven years;

19 (e) Records of arrest, indictment, or conviction of an adult for
20 a crime that, from date of disposition, release, or parole, antedate
21 the report by more than seven years;

22 (f) Juvenile records, as defined in RCW 13.50.010(1) ~~((e))~~ (f),
23 when the subject of the records is twenty-one years of age or older
24 at the time of the report; ~~((and))~~

25 (g) Medical debt, as defined in RCW 19.16.100; and

26 (h) Any other adverse item of information that antedates the
27 report by more than seven years.

28 (2) Subsection (1)(a) through (e) and ~~((g))~~ (h) of this section
29 is not applicable in the case of a consumer report to be used in
30 connection with:

31 (a) A credit transaction involving, or that may reasonably be
32 expected to involve, a principal amount of fifty thousand dollars or
33 more;

34 (b) The underwriting of life insurance involving, or that may
35 reasonably be expected to involve, a face amount of fifty thousand
36 dollars or more; or

37 (c) The employment of an individual at an annual salary that
38 equals, or that may reasonably be expected to equal, twenty thousand
39 dollars or more.

1 **Sec. 5.** RCW 70.41.400 and 2006 c 60 s 2 are each amended to read
2 as follows:

3 (1) Prior to or upon discharge, a hospital must furnish each
4 patient receiving inpatient services a written statement providing a
5 list of physician groups and other professional partners that
6 commonly provide care for patients at the hospital and from whom the
7 patient may receive a bill, along with contact phone numbers for
8 those groups. The statement must prominently display a phone number
9 that a patient can call for assistance if the patient has any
10 questions about any of the bills they receive after discharge that
11 relate to their hospital stay.

12 (2)(a) Hospitals, physician groups, and other professional
13 partners may not furnish information relating to a medical debt as
14 defined in RCW 19.16.100 to a consumer credit reporting agency. A
15 medical debt is void and unenforceable if a hospital, physician
16 group, or professional partner violates this subsection (2)(a).

17 (b) A violation of (a) of this subsection is deemed a violation
18 of the law governing the license of the hospital, physician group, or
19 professional partner.

20 (3) The legislature finds that the practices covered by this
21 section are matters vitally affecting the public interest for the
22 purpose of applying the consumer protection act, chapter 19.86 RCW. A
23 violation of this section is not reasonable in relation to the
24 development and preservation of business and is an unfair or
25 deceptive act in trade or commerce and an unfair method of
26 competition for the purpose of applying the consumer protection act,
27 chapter 19.86 RCW.

28 (4) This section does not apply to any hospital owned or operated
29 by a health maintenance organization under chapter 48.46 RCW when
30 providing prepaid health care services to enrollees of the health
31 maintenance organization or any of its wholly owned subsidiary
32 carriers.

33 **Sec. 6.** RCW 70.54.005 and 1989 1st ex.s. c 9 s 250 are each
34 amended to read as follows:

35 The powers and duties of the secretary of social and health
36 services under this chapter shall be performed by the secretary of
37 health, except where specified in this chapter.

Passed by the Senate February 26, 2025.
Passed by the House April 9, 2025.

Approved by the Governor April 22, 2025.
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