

# FINAL BILL REPORT

## SSB 5827

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C 387 L 97  
Synopsis as Enacted

**Brief Description:** Collecting the cost of governmental entities using collection agencies.

**Sponsors:** Senate Committee on Government Operations (originally sponsored by Senators Roach, Haugen and Long).

**Senate Committee on Government Operations**  
**House Committee on Government Administration**

**Background:** Municipalities may contract with collection agencies to collect public debts. There must first be an attempt to advise the debtor of the existence of the debt, and that the debt may be assigned for collection if not paid. At least 30 days must elapse from the time the notice is sent to the debtor before the debt may be assigned to the collection agency.

The term debt— includes fines and other debts.

**Summary:** Municipalities may add a reasonable fee to the outstanding debt for the collection agency fee. A contingent fee of up to 50 percent of the first \$100,000 of the unpaid debt per account is allowed. If the unpaid debt is over \$100,000, a contingent fee of up to 35 percent per account is allowed. A minimum fee of the full amount of the debt up to \$100 per account is allowable. There is a presumption that any fee agreement entered into by the municipality is reasonable.

The term debt includes the collection agency fee, and restitution owed to victims of crime.

**Votes on Final Passage:**

Senate	41	7
House	86	12 (House amended)
House	80	18 (House reconsidered)
Senate	41	5 (Senate concurred)

**Effective:** July 27, 1997