

5827-S

Sponsor(s): Senate Committee on Government Operations (originally sponsored by Senators Roach, Haugen and Long)

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

SB 5827-S - DIGEST

(DIGEST AS ENACTED)

Declares that any governmental entity using a collection agency may add a reasonable fee, payable by the debtor, to the outstanding debt for the collection agency fee incurred or to be incurred. The amount to be paid for collection services is left to the agreement of the governmental entity and its collection agency or agencies. Any fee agreement entered into by a governmental entity is presumptively reasonable.

Provides that a contingent fee of up to fifty percent is reasonable for debts up to \$100,000 and thirty-five percent for debts over \$100,000.