

Financial Institutions & Insurance

HB 1126

Brief Description: *Modifying collection of business to business debts by collection agencies.*

Sponsors: *Representatives O'Brien, Benson, Hatfield, Ogden, Esser, Murray, McIntire, Miloscia, Barlean and Roach.*

Brief Summary of Bill

- *For commercial claims, a collection agency can receive collection costs and fees up to 35 percent of the commercial claim.*

Hearing Date: *1/30/01*

Staff: *Thamas Osborn (786-7129).*

Background:

Collection agencies, including out-of-state collection agencies, are regulated by state law and must be licensed by the Department of Licensing. A collection agency cannot collect any sum other than principal and allowable interest, collection costs specifically authorized by statute, and attorney's fees and court costs in the case of a lawsuit.

Summary of Bill:

For commercial claims (i.e., claims between businesses), in addition to other authorized amounts, a collection agency may also collect any costs and fees authorized by written agreement between the debtor and the original creditor. However, total collection costs cannot exceed 35 percent of the commercial claim.

Effective Date: *Ninety days after adjournment of session in which bill is passed.*

Appropriation: *None.*

Fiscal Note: *Not Requested.*