

# SENATE BILL REPORT

## HB 1983

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As Reported By Senate Committee On:  
Labor, Commerce & Financial Institutions, March 27, 2001

**Title:** An act relating to the collection of financial claims.

**Brief Description:** Modifying "debt collector" so the term excludes affiliates of creditors that service creditor's accounts.

**Sponsors:** By Representatives Benson and Hatfield.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 3/27/01 [DP].

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

**Majority Report:** Do pass.

Signed by Senators Prentice, Chair; Gardner, Vice Chair; Franklin, Hochstatter, Honeyford, Rasmussen, Regala, West and Winsley.

**Staff:** Joanne Conrad (786-7472)

**Background:** Collection agencies are licensed by the Washington State Department of Licensing. Collection practices are regulated by state and federal law. Some ambiguity exists regarding whether certain entities are "collection agencies," and are subject to regulation, including consumer protection laws.

**Summary of Bill:** Specified entities are excluded from definition as "collection agencies." If a person's principal business is not the collection of debts, and they are performing collection services while acting as a corporate affiliate, they are not a statutory collection agency.

Also, an out-of-state collection agency that is excluded from the federal definition of "debt collector" is not a collection agency under state law.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Clarification is needed regarding debt collection by corporate affiliates.

**Testimony Against:** None.

**Testified:** Jan Gee, Washington Retail Association.

