

# SENATE BILL REPORT

## SB 5211

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As Passed Senate, February 14, 2003

**Title:** An act relating to collection agencies.

**Brief Description:** Clarifying that certain entities are not collection agencies.

**Sponsors:** Senators Kohl-Welles, Winsley, Fairley, Prentice, Benton and Keiser.

**Brief History:**

**Committee Activity:** Financial Services, Insurance & Housing: 1/27/03, 1/28/03 [DP].  
Passed Senate: 2/14/03, 49-0.

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### SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

**Majority Report:** Do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Reardon, Roach and Zarelli.

**Staff:** Elizabeth Mitchell (786-7430)

**Background:** The term "collection agency" includes any person engaged in collecting claims "owed or due another person." Property management companies sometimes collect homeowners and condominium association dues for their clients.

Certain businesses are exempt from the definition of "collection agency" if their collection activities are "directly related to the operation of a business other than that of a collection agency." Property management companies are not currently listed under this exemption.

**Summary of Bill:** Property management companies collecting assessments, charges or fines on behalf of condominium unit owners' associations, associations of apartment owners, or homeowners' associations are exempt from the definition of "collection" agency.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Property management companies that collect homeowners' and condominium association dues are acting under the direction of their clients, and should not be considered collection agencies. There is recourse available through the court system if people feel they have been wronged by a property management company's actions.

**Testimony Against:** None.

**Testified:** PRO: Bob Mitchell, WA Assn. of Realtors; Terry Preston, Res. Com. Properties.