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**SUBSTITUTE SENATE BILL 6093**

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**State of Washington**

**53rd Legislature**

**1994 Regular Session**

**By** Senate Committee on Law & Justice (originally sponsored by Senators A. Smith and Nelson)

Read first time 02/03/94.

1 AN ACT Relating to collection of debts; and amending RCW 19.16.100.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

3 **Sec. 1.** RCW 19.16.100 and 1990 c 190 s 1 are each amended to read  
4 as follows:

5 Unless a different meaning is plainly required by the context, the  
6 following words and phrases as (~~hereinafter~~) used in this chapter  
7 shall have the following meanings:

8 (1) "Person" includes individual, firm, partnership, trust, joint  
9 venture, association, or corporation.

10 (2) "Collection agency" means and includes:

11 (a) Any person directly or indirectly engaged in soliciting claims  
12 for collection, or collecting or attempting to collect claims owed or  
13 due or asserted to be owed or due another person;

14 (b) Any person who directly or indirectly furnishes or attempts to  
15 furnish, sells, or offers to sell forms represented to be a collection  
16 system or scheme intended or calculated to be used to collect claims  
17 even though the forms direct the debtor to make payment to the creditor  
18 and even though the forms may be or are actually used by the creditor  
19 himself or herself in his or her own name;

1 (c) Any person who in attempting to collect or in collecting his or  
2 her own claim uses a fictitious name or any name other than his or her  
3 own which would indicate to the debtor that a third person is  
4 collecting or attempting to collect such claim.

5 (3) "Collection agency" does not mean and does not include:

6 (a) Any individual engaged in soliciting claims for collection, or  
7 collecting or attempting to collect claims on behalf of a licensee  
8 under this chapter, if said individual is an employee of the licensee;

9 (b) Any individual collecting or attempting to collect claims for  
10 not more than one employer, if all the collection efforts are carried  
11 on in the name of the employer and if the individual is an employee of  
12 the employer;

13 (c) Any person whose collection activities are carried on in his or  
14 ~~((its))~~ her true name and are confined and are directly related to the  
15 operation of a business other than that of a collection agency, such as  
16 but not limited to trust companies, savings and loan associations,  
17 building and loan associations, abstract companies doing an escrow  
18 business, real estate brokers, public officers acting in their official  
19 capacities, persons acting under court order, lawyers, insurance  
20 companies, credit unions, loan or finance companies, mortgage banks,  
21 and banks; ~~((or))~~

22 (d) Any person who on behalf of another person prepares or mails  
23 monthly or periodic statements of accounts due if all payments are made  
24 to that other person and no other collection efforts are made by the  
25 person preparing the statements of account; or

26 (e) No person shall be considered to be a collection agency within  
27 this state if that person's activities regarding this state are limited  
28 to collecting debts from debtors located in this state by means of  
29 interstate communications, including telephone, mail, or facsimile  
30 transmission, from the person's location in another state. However, if  
31 the substance of any such communication is contrary to collection  
32 practice law in this state, then the person shall be subject to the  
33 jurisdiction of this state with respect thereto.

34 (4) "Claim" means any obligation for the payment of money or thing  
35 of value arising out of any agreement or contract, express or implied.

36 (5) "Statement of account" means a report setting forth only  
37 amounts billed, invoices, credits allowed, or aged balance due.

38 (6) "Director" means the director of licensing.

- 1       (7) "Client" or "customer" means any person authorizing or  
2 employing a collection agency to collect a claim.
- 3       (8) "Licensee" means any person licensed under this chapter.
- 4       (9) "Board" means the Washington state collection agency board.
- 5       (10) "Debtor" means any person owing or alleged to owe a claim.

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