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HOUSE BILL 1666

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State of Washington

68th Legislature

2023 Regular Session

By Representative Reeves

1 AN ACT Relating to making changes to certain fee and debt  
2 collection practices; amending RCW 19.16.100 and 19.16.500;  
3 reenacting and amending RCW 19.16.250; adding a new section to  
4 chapter 19.200 RCW; and providing an effective date.

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

6 **Sec. 1.** RCW 19.16.100 and 2020 c 30 s 1 are each amended to read  
7 as follows:

8 Unless a different meaning is plainly required by the context,  
9 the following words and phrases as hereinafter used in this chapter  
10 shall have the following meanings:

11 (1) "Board" means the Washington state collection agency board.

12 (2) "Claim" means ~~((any))~~ .

13 (a) Any obligation for the payment of money or thing of value  
14 arising out of any agreement or contract, express or implied; and

15 (b) Outstanding public debts owed to government entities and  
16 courts.

17 (3) "Client" or "customer" means any person authorizing or  
18 employing a collection agency to collect a claim.

19 (4) "Collection agency" means and includes:

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

4 (b) Any person who directly or indirectly furnishes or attempts  
5 to furnish, sells, or offers to sell forms represented to be a  
6 collection system or scheme intended or calculated to be used to  
7 collect claims even though the forms direct the debtor to make  
8 payment to the creditor and even though the forms may be or are  
9 actually used by the creditor himself or herself in his or her own  
10 name;

11 (c) Any person who in attempting to collect or in collecting his  
12 or her own claim uses a fictitious name or any name other than his or  
13 her own which would indicate to the debtor that a third person is  
14 collecting or attempting to collect such claim;

15 (d) A debt buyer as defined in this section;

16 (e) Any person or entity attempting to enforce a lien under  
17 chapter 60.44 RCW, other than the person or entity originally  
18 entitled to the lien.

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

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

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

28 (c) Any person whose collection activities are carried on in his,  
29 her, or its true name and are confined and are directly related to  
30 the operation of a business other than that of a collection agency,  
31 such as but not limited to: Trust companies; savings and loan  
32 associations; building and loan associations; abstract companies  
33 doing an escrow business; real estate brokers; property management  
34 companies collecting assessments, charges, or fines on behalf of  
35 condominium unit owners associations, associations of apartment  
36 owners, or homeowners' associations; public officers acting in their  
37 official capacities; persons acting under court order; lawyers;  
38 insurance companies; credit unions; loan or finance companies;  
39 mortgage banks; and banks;

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

5 (e) An "out-of-state collection agency" as defined in this  
6 chapter; or

7 (f) Any person while acting as a debt collector for another  
8 person, both of whom are related by common ownership or affiliated by  
9 corporate control, if the person acting as a debt collector does so  
10 only for persons to whom it is so related or affiliated and if the  
11 principal business of the person is not the collection of debts.

12 (6) "Commercial claim" means any obligation for payment of money  
13 or thing of value arising out of any agreement or contract, express  
14 or implied, where the transaction which is the subject of the  
15 agreement or contract is not primarily for personal, family, or  
16 household purposes.

17 (7) "Debt buyer" means any person or entity that is engaged in  
18 the business of purchasing delinquent or charged off claims for  
19 collection purposes, whether it collects the claims itself or hires a  
20 third party for collection or an attorney for litigation in order to  
21 collect such claims.

22 (8) "Debtor" means any person owing or alleged to owe a claim.

23 (9) "Director" means the director of licensing.

24 (10) "Licensee" means any person licensed under this chapter.

25 (11) "Medical debt" means any obligation for the payment of money  
26 arising out of any agreement or contract, express or implied, for the  
27 provision of health care services as defined in RCW 48.44.010. In the  
28 context of "medical debt," "charity care" has the same meaning as  
29 provided in RCW 70.170.020.

30 (12) "Out-of-state collection agency" means a person whose  
31 activities within this state are limited to collecting debts from  
32 debtors located in this state by means of interstate communications,  
33 including telephone, mail, or facsimile transmission, from the  
34 person's location in another state on behalf of clients located  
35 outside of this state, but does not include any person who is  
36 excluded from the definition of the term "debt collector" under the  
37 federal fair debt collection practices act (15 U.S.C. Sec. 1692a(6)).

38 (13) "Person" includes individual, firm, partnership, trust,  
39 joint venture, association, or corporation.

1 (14) "Statement of account" means a report setting forth only  
2 amounts billed, invoices, credits allowed, or aged balance due.

3 **Sec. 2.** RCW 19.16.250 and 2019 c 227 s 4 and 2019 c 201 s 2 are  
4 each reenacted and amended to read as follows:

5 No licensee or employee of a licensee shall:

6 (1) Directly or indirectly aid or abet any unlicensed person to  
7 engage in business as a collection agency in this state or receive  
8 compensation from such unlicensed person: PROVIDED, That nothing in  
9 this chapter shall prevent a licensee from accepting, as forwarder,  
10 claims for collection from a collection agency or attorney whose  
11 place of business is outside the state.

12 (2) Collect or attempt to collect a claim by the use of any means  
13 contrary to the postal laws and regulations of the United States  
14 postal department.

15 (3) Publish or post or cause to be published or posted, any list  
16 of debtors commonly known as "bad debt lists" or threaten to do so.  
17 For purposes of this chapter, a "bad debt list" means any list of  
18 natural persons alleged to fail to honor their lawful debts. However,  
19 nothing herein shall be construed to prohibit a licensee from  
20 communicating to its customers or clients by means of a coded list,  
21 the existence of a check dishonored because of insufficient funds,  
22 not sufficient funds or closed account by the financial institution  
23 servicing the debtor's checking account: PROVIDED, That the debtor's  
24 identity is not readily apparent: PROVIDED FURTHER, That the licensee  
25 complies with the requirements of subsection (10)(e) of this section.

26 (4) Have in his or her possession or make use of any badge, use a  
27 uniform of any law enforcement agency or any simulation thereof, or  
28 make any statements which might be construed as indicating an  
29 official connection with any federal, state, county, or city law  
30 enforcement agency, or any other governmental agency, while engaged  
31 in collection agency business.

32 (5) Perform any act or acts, either directly or indirectly,  
33 constituting the unauthorized practice of law.

34 (6) Advertise for sale or threaten to advertise for sale any  
35 claim as a means of endeavoring to enforce payment thereof or  
36 agreeing to do so for the purpose of soliciting claims, except where  
37 the licensee has acquired claims as an assignee for the benefit of  
38 creditors or where the licensee is acting under court order.

1 (7) Use any name while engaged in the making of a demand for any  
2 claim other than the name set forth on his or her or its current  
3 license issued hereunder.

4 (8) Give or send to any debtor or cause to be given or sent to  
5 any debtor, any notice, letter, message, or form, other than through  
6 proper legal action, process, or proceedings, which represents or  
7 implies that a claim exists unless it shall indicate in clear and  
8 legible type:

9 (a) The name of the licensee and the city, street, and number at  
10 which he or she is licensed to do business;

11 (b) The name of the original creditor to whom the debtor owed the  
12 claim if such name is known to the licensee or employee: PROVIDED,  
13 That upon (~~written~~) request of the debtor, the licensee shall  
14 provide this name to the debtor or cease efforts to collect on the  
15 debt until this information is provided;

16 (c) (~~If~~) An itemization of the claim asserted if the notice,  
17 letter, message, or form is the first notice to the debtor (~~or~~); if  
18 the licensee is attempting to collect a different amount than  
19 indicated in (~~his or her or its~~) the first notice to the debtor(~~(~~  
20 ~~an itemization of the claim asserted must be made including)~~) or upon  
21 request of the debtor. The licensee shall include in the itemization  
22 the:

23 (i) Amount owing on the original obligation at the time it was  
24 received by the licensee for collection or by assignment;

25 (ii) Interest or service charge, collection costs, or late  
26 payment charges, if any, added to the original obligation by the  
27 original creditor, customer or assignor before it was received by the  
28 licensee for collection, if such information is known by the licensee  
29 or employee: PROVIDED, That upon (~~written~~) request of the debtor,  
30 the licensee shall make a reasonable effort to obtain information on  
31 such items and provide this information to the debtor;

32 (iii) Interest or service charge, if any, added by the licensee  
33 or customer or assignor after the obligation was received by the  
34 licensee for collection;

35 (iv) Collection costs, if any, that the licensee is attempting to  
36 collect;

37 (v) Attorneys' fees, if any, that the licensee is attempting to  
38 collect on his or her or its behalf or on the behalf of a customer or  
39 assignor; and

1 (vi) (~~Any other~~) Other charges or fees that the licensee is  
2 attempting to collect on his or her or its own behalf or on the  
3 behalf of a customer or assignor;

4 (d) If the notice, letter, message, or form concerns a judgment  
5 obtained against the debtor, no itemization of the amounts contained  
6 in the judgment is required, except postjudgment interest or other  
7 postjudgment collection costs, if claimed, and the current account  
8 balance;

9 (e) If the notice, letter, message, or form is the first notice  
10 to the debtor, an itemization of the claim asserted must be made  
11 including the following information:

12 (i) The original account number or redacted original account  
13 number assigned to the debt, if known to the licensee or employee:  
14 PROVIDED, That upon (~~written~~) request of the debtor, the licensee  
15 must make a reasonable effort to obtain this information or cease  
16 efforts to collect on the debt until this information is provided;  
17 and

18 (ii) The date of the last payment to the creditor on the subject  
19 debt by the debtor, if known to the licensee or employee: PROVIDED,  
20 That upon (~~written~~) request of the debtor, the licensee must make a  
21 reasonable effort to obtain this information or cease efforts to  
22 collect on the debt until this information is provided.

23 (9) Communicate in writing with a debtor concerning a claim  
24 through a proper legal action, process, or proceeding, where such  
25 communication is the first written communication with the debtor,  
26 without providing the information set forth in subsection (8)(c) of  
27 this section in the written communication.

28 (10) Communicate or threaten to communicate, the existence of a  
29 claim to a person other than one who might be reasonably expected to  
30 be liable on the claim in any manner other than through proper legal  
31 action, process, or proceedings except under the following  
32 conditions:

33 (a) Except as provided in subsection (28)(c) of this section, a  
34 licensee or employee of a licensee may inform a credit reporting  
35 bureau of the existence of a claim. If the licensee or employee of a  
36 licensee reports a claim to a credit reporting bureau, the licensee  
37 shall, upon receipt of written notice from the debtor that any part  
38 of the claim is disputed, notify the credit reporting bureau of the  
39 dispute by written or electronic means and create a record of the  
40 fact of the notification and when the notification was provided;

1 (b) A licensee or employee in collecting or attempting to collect  
2 a claim may communicate the existence of a claim to a debtor's  
3 employer if the claim has been reduced to a judgment;

4 (c) A licensee or employee in collecting or attempting to collect  
5 a claim that has not been reduced to judgment, may communicate the  
6 existence of a claim to a debtor's employer if:

7 (i) The licensee or employee has notified or attempted to notify  
8 the debtor in writing at his or her last known address or place of  
9 employment concerning the claim and the debtor after a reasonable  
10 time has failed to pay the claim or has failed to agree to make  
11 payments on the claim in a manner acceptable to the licensee, and

12 (ii) The debtor has not in writing to the licensee disputed any  
13 part of the claim: PROVIDED, That the licensee or employee may only  
14 communicate the existence of a claim which has not been reduced to  
15 judgment to the debtor's employer once unless the debtor's employer  
16 has agreed to additional communications.

17 (d) A licensee may for the purpose of locating the debtor or  
18 locating assets of the debtor communicate the existence of a claim to  
19 any person who might reasonably be expected to have knowledge of the  
20 whereabouts of a debtor or the location of assets of the debtor if  
21 the claim is reduced to judgment, or if not reduced to judgment,  
22 when:

23 (i) The licensee or employee has notified or attempted to notify  
24 the debtor in writing at his or her last known address or last known  
25 place of employment concerning the claim and the debtor after a  
26 reasonable time has failed to pay the claim or has failed to agree to  
27 make payments on the claim in a manner acceptable to the licensee,  
28 and

29 (ii) The debtor has not in writing disputed any part of the  
30 claim.

31 (e) A licensee may communicate the existence of a claim to its  
32 customers or clients if the claim is reduced to judgment, or if not  
33 reduced to judgment, when:

34 (i) The licensee has notified or attempted to notify the debtor  
35 in writing at his or her last known address or last known place of  
36 employment concerning the claim and the debtor after a reasonable  
37 time has failed to pay the claim or has failed to agree to make  
38 payments on the claim in a manner acceptable to the licensee, and

39 (ii) The debtor has not in writing disputed any part of the  
40 claim.

1 (11) Threaten the debtor with impairment of his or her credit  
2 rating if a claim is not paid: PROVIDED, That advising a debtor that  
3 the licensee has reported or intends to report a claim to a credit  
4 reporting agency is not considered a threat if the licensee actually  
5 has reported or intends to report the claim to a credit reporting  
6 agency.

7 (12) Communicate with the debtor after notification in writing  
8 from an attorney representing such debtor that all further  
9 communications relative to a claim should be addressed to the  
10 attorney: PROVIDED, That if a licensee requests in writing  
11 information from an attorney regarding such claim and the attorney  
12 does not respond within a reasonable time, the licensee may  
13 communicate directly with the debtor until he or she or it again  
14 receives notification in writing that an attorney is representing the  
15 debtor.

16 (13) Communicate with a debtor or anyone else in such a manner as  
17 to harass, intimidate, threaten, or embarrass a debtor, including but  
18 not limited to communication at an unreasonable hour, with  
19 unreasonable frequency, by threats of force or violence, by threats  
20 of criminal prosecution, and by use of offensive language. A  
21 communication shall be presumed to have been made for the purposes of  
22 harassment if:

23 (a) It is made with a debtor or spouse in any form, manner, or  
24 place, more than three times in a single week, unless the licensee is  
25 responding to a communication from the debtor or spouse;

26 (b) It is made with a debtor at his or her place of employment  
27 more than one time in a single week, unless the licensee is  
28 responding to a communication from the debtor;

29 (c) It is made with the debtor or spouse at his or her place of  
30 residence between the hours of 9:00 p.m. and 7:30 a.m. A call to a  
31 telephone is presumed to be received in the local time zone to which  
32 the area code of the number called is assigned for landline numbers,  
33 unless the licensee reasonably believes the telephone is located in a  
34 different time zone. If the area code is not assigned to landlines in  
35 any specific geographic area, such as with toll-free telephone  
36 numbers, a call to a telephone is presumed to be received in the  
37 local time zone of the debtor's last known place of residence, unless  
38 the licensee reasonably believes the telephone is located in a  
39 different time zone.



1 (14) Communicate with the debtor through use of forms or  
2 instruments that simulate the form or appearance of judicial process,  
3 the form or appearance of government documents, or the simulation of  
4 a form or appearance of a telegraphic or emergency message.

5 (15) Communicate with the debtor and represent or imply that the  
6 existing obligation of the debtor may be or has been increased by the  
7 addition of attorney fees, investigation fees, service fees, or any  
8 other fees or charges when in fact such fees or charges may not  
9 legally be added to the existing obligation of such debtor.

10 (16) Threaten to take any action against the debtor which the  
11 licensee cannot legally take at the time the threat is made.

12 (17) Send any telegram or make any telephone calls to a debtor or  
13 concerning a debt or for the purpose of demanding payment of a claim  
14 or seeking information about a debtor, for which the charges are  
15 payable by the addressee or by the person to whom the call is made:  
16 PROVIDED, That:

17 (a) This subsection does not prohibit a licensee from attempting  
18 to communicate by way of a cellular telephone or other wireless  
19 device: PROVIDED, That a licensee cannot cause charges to be incurred  
20 to the recipient of the attempted communication more than three times  
21 in any calendar week when the licensee knows or reasonably should  
22 know that the number belongs to a cellular telephone or other  
23 wireless device, unless the licensee is responding to a communication  
24 from the debtor or the person to whom the call is made.

25 (b) The licensee is not in violation of (a) of this subsection if  
26 the licensee at least monthly updates its records with information  
27 provided by a commercial provider of cellular telephone lists that  
28 the licensee in good faith believes provides reasonably current and  
29 comprehensive data identifying cellular telephone numbers, calls a  
30 number not appearing in the most recent list provided by the  
31 commercial provider, and does not otherwise know or reasonably should  
32 know that the number belongs to a cellular telephone.

33 (c) This subsection may not be construed to increase the number  
34 of communications permitted pursuant to subsection (13)(a) of this  
35 section.

36 (18) Call, or send a text message or other electronic  
37 communication to, a cellular telephone or other wireless device more  
38 than twice in any day when the licensee knows or reasonably should  
39 know that the number belongs to a cellular telephone or other  
40 wireless device, unless the licensee is responding to a communication

1 from the debtor or the person to whom the call, text message, or  
2 other electronic communication is made. The licensee is not in  
3 violation of this subsection if the licensee at least monthly updates  
4 its records with information provided by a commercial provider of  
5 cellular telephone lists that the licensee in good faith believes  
6 provides reasonably current and comprehensive data identifying  
7 cellular telephone numbers, calls a number not appearing in the most  
8 recent list provided by the commercial provider, and does not  
9 otherwise know or reasonably should know that the number belongs to a  
10 cellular telephone. Nothing in this subsection may be construed to  
11 increase the number of communications permitted pursuant to  
12 subsection (13)(a) of this section.

13 (19) Intentionally block its telephone number from displaying on  
14 a debtor's telephone.

15 (20) In any manner convey the impression that the licensee is  
16 vouched for, bonded to or by, or is an instrumentality of the state  
17 of Washington or any agency or department thereof.

18 (21) Collect or attempt to collect in addition to the principal  
19 amount of a claim any sum other than allowable interest, collection  
20 costs or handling fees expressly authorized by statute, and, in the  
21 case of suit, attorney's fees and taxable court costs. A licensee may  
22 collect or attempt to collect collection costs and fees, including  
23 contingent collection fees, as authorized by a written agreement or  
24 contract, between the licensee's client and the debtor, in the  
25 collection of a commercial claim. The amount charged to the debtor  
26 for collection services shall not exceed (~~thirty-five~~) 35 percent  
27 of the commercial claim.

28 (22) Procure from a debtor or collect or attempt to collect on  
29 any written note, contract, stipulation, promise or acknowledgment  
30 under which a debtor may be required to pay any sum other than  
31 principal, allowable interest, except as noted in subsection (21) of  
32 this section, and, in the case of suit, attorney's fees and taxable  
33 court costs.

34 (23) Bring an action or initiate an arbitration proceeding on a  
35 claim when the licensee knows, or reasonably should know, that such  
36 suit or arbitration is barred by the applicable statute of  
37 limitations.

38 (24) Upon notification by a debtor that the debtor disputes all  
39 debts arising from a series of dishonored checks, automated  
40 clearinghouse transactions on a demand deposit account, or other

1 preprinted written instruments, initiate oral contact with a debtor  
2 more than one time in an attempt to collect from the debtor debts  
3 arising from the identified series of dishonored checks, automated  
4 clearinghouse transactions on a demand deposit account, or other  
5 preprinted written instruments when: (a) Within the previous (~~one~~  
6 ~~hundred-eighty~~) 180 days, in response to the licensee's attempt to  
7 collect the initial debt assigned to the licensee and arising from  
8 the identified series of dishonored checks, automated clearinghouse  
9 transactions on a demand deposit account, or other preprinted written  
10 instruments, the debtor in writing notified the licensee that the  
11 debtor's checkbook or other series of preprinted written instruments  
12 was stolen or fraudulently created; (b) the licensee has received  
13 from the debtor a certified copy of a police report referencing the  
14 theft or fraudulent creation of the checkbook, automated  
15 clearinghouse transactions on a demand deposit account, or series of  
16 preprinted written instruments; (c) in the written notification to  
17 the licensee or in the police report, the debtor identified the  
18 financial institution where the account was maintained, the account  
19 number, the magnetic ink character recognition number, the full bank  
20 routing and transit number, and the check numbers of the stolen  
21 checks, automated clearinghouse transactions on a demand deposit  
22 account, or other preprinted written instruments, which check numbers  
23 included the number of the check that is the subject of the  
24 licensee's collection efforts; (d) the debtor provides, or within the  
25 previous (~~one hundred-eighty~~) 180 days provided, to the licensee a  
26 legible copy of a government-issued photo identification, which  
27 contains the debtor's signature and which was issued prior to the  
28 date of the theft or fraud identified in the police report; and (e)  
29 the debtor advised the licensee that the subject debt is disputed  
30 because the identified check, automated clearinghouse transaction on  
31 a demand deposit account, or other preprinted written instrument  
32 underlying the debt is a stolen or fraudulently created check or  
33 instrument.

34 The licensee is not in violation of this subsection if the  
35 licensee initiates oral contact with the debtor more than one time in  
36 an attempt to collect debts arising from the identified series of  
37 dishonored checks, automated clearinghouse transactions on a demand  
38 deposit account, or other preprinted written instruments when: (i)  
39 The licensee acted in good faith and relied on their established  
40 practices and procedures for batching, recording, or packeting debtor

1 accounts, and the licensee inadvertently initiates oral contact with  
2 the debtor in an attempt to collect debts in the identified series  
3 subsequent to the initial debt assigned to the licensee; (ii) the  
4 licensee is following up on collection of a debt assigned to the  
5 licensee, and the debtor has previously requested more information  
6 from the licensee regarding the subject debt; (iii) the debtor has  
7 notified the licensee that the debtor disputes only some, but not all  
8 the debts arising from the identified series of dishonored checks,  
9 automated clearinghouse transactions on a demand deposit account, or  
10 other preprinted written instruments, in which case the licensee  
11 shall be allowed to initiate oral contact with the debtor one time  
12 for each debt arising from the series of identified checks, automated  
13 clearinghouse transactions on a demand deposit account, or written  
14 instruments and initiate additional oral contact for those debts that  
15 the debtor acknowledges do not arise from stolen or fraudulently  
16 created checks or written instruments; (iv) the oral contact is in  
17 the context of a judicial, administrative, arbitration, mediation, or  
18 similar proceeding; or (v) the oral contact is made for the purpose  
19 of investigating, confirming, or authenticating the information  
20 received from the debtor, to provide additional information to the  
21 debtor, or to request additional information from the debtor needed  
22 by the licensee to accurately record the debtor's information in the  
23 licensee's records.

24 (25) Bring an action or initiate an arbitration proceeding on a  
25 claim for any amounts related to a transfer of sale of a vehicle  
26 when:

27 (a) The licensee has been informed or reasonably should know that  
28 the department of licensing transfer of sale form was filed in  
29 accordance with RCW 46.12.650 (1) through (3);

30 (b) The licensee has been informed or reasonably should know that  
31 the transfer of the vehicle either (i) was not made pursuant to a  
32 legal transfer or (ii) was not voluntarily accepted by the person  
33 designated as the purchaser/transferee; and

34 (c) Prior to the commencement of the action or arbitration, the  
35 licensee has received from the putative transferee a copy of a police  
36 report referencing that the transfer of sale of the vehicle either  
37 (i) was not made pursuant to a legal transfer or (ii) was not  
38 voluntarily accepted by the person designated as the purchaser/  
39 transferee.

1 (26) Submit an affidavit or other request pursuant to chapter  
2 6.32 RCW asking a superior or district court to transfer a bond  
3 posted by a debtor subject to a money judgment to the licensee, when  
4 the debtor has appeared as required.

5 (27) Serve a debtor with a summons and complaint unless the  
6 summons and complaint have been filed with the court and bear the  
7 case number assigned by the court.

8 (28) If the claim involves medical debt:

9 (a) Fail to include, with the first written notice to the debtor,  
10 a statement that informs the debtor of the debtor's right to request  
11 the original account number or redacted original account number  
12 assigned to the debt, the date of the last payment, and an itemized  
13 statement as provided in (b) of this subsection (28);

14 (b)(i) Fail to provide to the debtor, upon written or oral  
15 request by the debtor for more information than is contained in a  
16 general balance due letter, an itemized statement free of charge.  
17 Unless and until the licensee provides the itemized statement, the  
18 licensee must cease all collection efforts. The itemized statement  
19 must include:

20 (A) The name and address of the medical creditor;

21 (B) The date, dates, or date range of service;

22 (C) The health care services provided to the patient as indicated  
23 by the health care provider in a statement provided to the licensee;

24 (D) The amount of principal for any medical debt or debts  
25 incurred;

26 (E) Any adjustment to the bill, such as negotiated insurance  
27 rates or other discounts;

28 (F) The amount of any payments received, whether from the patient  
29 or any other party;

30 (G) Any interest or fees; and

31 (H) Whether the patient was found eligible for charity care or  
32 other reductions and, if so, the amount due after all charity care  
33 and other reductions have been applied to the itemized statement;

34 (ii) In the event the debtor has entered into a voluntary payment  
35 agreement, the debtor shall give notice if he or she wants the  
36 payment plan discontinued. If no notice is given, the payment  
37 arrangement may continue.

38 (iii) Properly executed postjudgment writs, including writs of  
39 garnishment and execution, are not required to be ceased and second

1 or subsequent requests for information already provided do not  
2 require the cessation of collection efforts;

3 (c) Report adverse information to consumer credit reporting  
4 agencies or credit bureaus until at least (~~one hundred eighty~~) 180  
5 days after the original obligation was received by the licensee for  
6 collection or by assignment.

7 (29) If the claim involves hospital debt:

8 (a) Fail to include, with the first written notice to the debtor,  
9 a notice that the debtor may be eligible for charity care from the  
10 hospital, together with the contact information for the hospital;

11 (b) Collect or attempt to collect a claim related to hospital  
12 debt during the pendency of an application for charity care  
13 sponsorship or an appeal from a final determination of charity care  
14 sponsorship status. However, this prohibition is only applicable if  
15 the licensee has received notice of the pendency of the application  
16 or appeal.

17 (30) Use any false, deceptive, or misleading representation or  
18 means in connection with the collection of any claim.

19 (31) Use unfair or unconscionable means to collect or attempt to  
20 collect any claim.

21 **Sec. 3.** RCW 19.16.500 and 2011 c 57 s 2 are each amended to read  
22 as follows:

23 (1) (a) Agencies, departments, taxing districts, political  
24 subdivisions of the state, counties, and cities may retain, by  
25 written contract, collection agencies licensed under this chapter for  
26 the purpose of collecting public debts owed by any person, including  
27 any restitution that is being collected on behalf of a crime victim.

28 (b) Any governmental entity as described in (a) of this  
29 subsection using a collection agency may add a (~~reasonable~~) nine  
30 percent fee, payable by the debtor, to the outstanding debt for the  
31 collection agency fee incurred or to be incurred. (~~The amount to be~~  
32 ~~paid for collection services shall be left to the agreement of the~~  
33 ~~governmental entity and its collection agency or agencies, but a~~  
34 ~~contingent fee of up to fifty percent of the first one hundred~~  
35 ~~thousand dollars of the unpaid debt per account and up to thirty-five~~  
36 ~~percent of the unpaid debt over one hundred thousand dollars per~~  
37 ~~account is reasonable, and a minimum fee of the full amount of the~~  
38 ~~debt up to one hundred dollars per account is reasonable. Any fee~~

1 ~~agreement entered into by a governmental entity is presumptively~~  
2 ~~reasonable.))~~

3 (2) No debt may be assigned to a collection agency unless (a)  
4 there has been an attempt to advise the debtor (i) of the existence  
5 of the debt and (ii) that the debt may be assigned to a collection  
6 agency for collection if the debt is not paid, and (b) at least  
7 ((thirty)) 30 days have elapsed from the time notice was attempted.

8 (3) Collection agencies assigned debts under this section shall  
9 have only those remedies and powers which would be available to them  
10 as assignees of private creditors.

11 (4) For purposes of this section, the term debt shall include  
12 fines and other debts, including the fee allowed under subsection  
13 (1)(b) of this section.

14 NEW SECTION. **Sec. 4.** A new section is added to chapter 19.200  
15 RCW to read as follows:

16 (1) Businesses whose fees or charges are regulated in Washington  
17 state are allowed to charge a transaction fee for processing a credit  
18 card payment provided that:

19 (a) A no-cost payment option is always available to the debtor;  
20 and

21 (b) The no-cost payment option is disclosed to the debtor at the  
22 same time and in the same manner as the debtor's credit card  
23 information is taken.

24 (2) The transaction fee amount shall not exceed the actual amount  
25 incurred or three percent of the payment amount, whichever is less.

26 (3) For purposes of this section, "credit card payment" means any  
27 payment made by a payment card that incurs an interchange fee,  
28 regardless of the type of payment card used.

29 NEW SECTION. **Sec. 5.** This act takes effect January 1, 2024.

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