

FINAL BILL REPORT

HB 1126

FULL VETO

Synopsis as Enacted

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.

House Committee on Financial Institutions & Insurance
Senate Committee on Judiciary

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 attorneys' fees and court costs in the case of a lawsuit. Collection costs are not authorized with respect to the collection of commercial claims, i.e., claims between businesses.

Summary:

For commercial claims, 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.

Votes on Final Passage:

House 98 0

Senate 45 0