
HOUSE BILL 1503

State of Washington

64th Legislature

2015 Regular Session

By Representatives Jinkins, Ryu, Tharinger, DeBolt, Senn, Robinson, Harris, Cody, Riccelli, Walsh, Sawyer, and Moeller

Read first time 01/21/15. Referred to Committee on Judiciary.

1 AN ACT Relating to medical liens; amending RCW 60.44.020 and
2 60.44.060; and reenacting and amending RCW 19.16.100.

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

4 **Sec. 1.** RCW 60.44.020 and 1975 1st ex.s. c 250 s 2 are each
5 amended to read as follows:

6 No person shall be entitled to the lien given by RCW 60.44.010
7 unless such person (~~shall,~~):

8 (1) Is licensed as a collection agency under chapter 19.16 RCW;

9 (2) Discloses the person's use of liens under this chapter as
10 part of the person's billing and collection practices; and

11 (3) Within twenty days after the date of such injury or receipt
12 of transportation or care, or, if settlement has not been
13 accomplished and payment made to such injured person, then at any
14 time before such settlement and payment, files for record with the
15 county auditor of the county in which said service was performed, a
16 notice of claim stating the name and address of the person claiming
17 the lien and whether such person claims as a practitioner, physician,
18 nurse, ambulance service, or hospital, the name and address of the
19 patient and place of domicile or residence, the time when and place
20 where the alleged fault or negligence of the tort-feasor occurred,
21 and the nature of the injury if any, the name and address of the

1 tort-feasor, if same or any thereof are known, which claim shall be
2 subscribed by the claimant and verified before a person authorized to
3 administer oaths.

4 **Sec. 2.** RCW 60.44.060 and 2012 c 117 s 153 are each amended to
5 read as follows:

6 (1) Such lien may be enforced by a suit at law brought by the
7 claimant or his or her assignee within one year after the filing of
8 such lien against the said tort feisor and/or insurer. In the event
9 that such tort feisor and/or insurer shall have made payment or
10 settlement on account of such injury, the fact of such payment shall
11 only for the purpose of such suit be prima facie evidence of the
12 negligence of the tort feisor and of the liability of the payer to
13 compensate for such negligence.

14 (2) The claimant or his or her assignee shall file a release of
15 the lien with the county auditor with whom the lien was recorded no
16 later than twenty days after receiving payment or settlement.
17 Violation of this subsection (2) constitutes an unfair or deceptive
18 act or practice in the conduct of trade or commerce under chapter
19 19.86 RCW.

20 **Sec. 3.** RCW 19.16.100 and 2013 c 148 s 1 are each reenacted and
21 amended to read as follows:

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

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

26 (2) "Claim" means any obligation for the payment of money or
27 thing of value arising out of any agreement or contract, express or
28 implied.

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

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

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

35 (b) Any person who directly or indirectly furnishes or attempts
36 to furnish, sells, or offers to sell forms represented to be a
37 collection system or scheme intended or calculated to be used to
38 collect claims even though the forms direct the debtor to make

1 payment to the creditor and even though the forms may be or are
2 actually used by the creditor himself or herself in his or her own
3 name;

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

8 (d) Any person or entity that is engaged in the business of
9 purchasing delinquent or charged off claims for collection purposes,
10 whether it collects the claims itself or hires a third party for
11 collection or an attorney for litigation in order to collect such
12 claims;

13 (e) Any person or entity attempting to enforce a lien under
14 chapter 60.44 RCW.

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

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

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

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

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

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

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

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

13 (7) "Debtor" means any person owing or alleged to owe a claim.

14 (8) "Director" means the director of licensing.

15 (9) "Licensee" means any person licensed under this chapter.

16 (10) "Out-of-state collection agency" means a person whose
17 activities within this state are limited to collecting debts from
18 debtors located in this state by means of interstate communications,
19 including telephone, mail, or facsimile transmission, from the
20 person's location in another state on behalf of clients located
21 outside of this state, but does not include any person who is
22 excluded from the definition of the term "debt collector" under the
23 federal fair debt collection practices act (15 U.S.C. Sec. 1692a(6)).

24 (11) "Person" includes individual, firm, partnership, trust,
25 joint venture, association, or corporation.

26 (12) "Statement of account" means a report setting forth only
27 amounts billed, invoices, credits allowed, or aged balance due.

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