

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	4 - 0 - 1
Yeas:	Deckert, Monnes Anderson, Starr, Metsger
Nays:	0
Exc.:	George L.
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	5/2

WHAT THE MEASURE DOES: Clarifies that the level of fee a public body or a business may add to a debt when the debt is turned over to a private collection agency may be less than the amount charged by the collection agency. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Clarification necessary
- Adding higher fee not allowed currently or under the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: State agencies are required to turn over delinquent and liquidated accounts to private collection agencies or to the Department of Revenue no later than 90 days from the date the account was liquidated if no payment has been received on the account, or 90 days from the date of receipt of the most recent payment on the account. Debts collected may include amounts owed due to fines, civil penalties, contracts, arguments, or court orders. Public agencies contract with collection agencies via a public bid process. Fees range from 10 percent to 20 percent of the debt amount being collected.

House Bill 2055 (2003) allowed public agencies and businesses to charge the debtor for fees charged by a collection agency for recovery costs. House Bill 2314 clarifies that the fee added by the agency or business does not need to be identical to the fee that is charged by the private collection agency. Under the measure, the added fee could be less or equal to, but not greater than, the amount charged by the collection agency