
SUBSTITUTE HOUSE BILL 1503

State of Washington

64th Legislature

2015 Regular Session

By House Judiciary (originally sponsored by Representatives Jinkins, Ryu, Tharinger, DeBolt, Senn, Robinson, Harris, Cody, Riccelli, Walsh, Sawyer, and Moeller)

READ FIRST TIME 02/20/15.

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) In any effort to enforce the lien, either attempts to enforce
9 the lien on his or her own behalf or designates a collection agency
10 licensed under chapter 19.16 RCW to collect on his or her behalf;

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

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

1 where the alleged fault or negligence of the tort-feasor occurred,
2 and the nature of the injury if any, the name and address of the
3 tort-feasor, if same or any thereof are known, which claim shall be
4 subscribed by the claimant and verified before a person authorized to
5 administer oaths.

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

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

16 (2) Upon payment or settlement and acceptance of the amount due
17 to the claimant or his or her assignee and upon demand of the
18 patient, the claimant or his or her assignee shall immediately
19 prepare and execute a release of all lien rights for which payment
20 has been made and deliver the release to the patient. In any suit to
21 compel deliverance of the release thereafter in which the court
22 determines the delay was unjustified, the court shall, in addition to
23 ordering the deliverance of the release, award the costs of the
24 action including reasonable attorneys' fees and any damages.

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

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

- 30 (1) "Board" means the Washington state collection agency board.
31 (2) "Claim" means any obligation for the payment of money or
32 thing of value arising out of any agreement or contract, express or
33 implied.
34 (3) "Client" or "customer" means any person authorizing or
35 employing a collection agency to collect a claim.
36 (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) Any person or entity that is engaged in the business of
16 purchasing delinquent or charged off claims for collection purposes,
17 whether it collects the claims itself or hires a third party for
18 collection or an attorney for litigation in order to collect such
19 claims;

20 (e) Any person or entity attempting to enforce a lien under
21 chapter 60.44 RCW, other than the person or entity originally
22 entitled to the lien.

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

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

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

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

1 official capacities; persons acting under court order; lawyers;
2 insurance companies; credit unions; loan or finance companies;
3 mortgage banks; and banks;

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

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

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

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

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

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

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

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

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

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

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