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State of Minnesota

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HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4048

- 03/07/2022 Authored by Rasmusson and Bernardy
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy
- 04/04/2022 Adoption of Report: Placed on the General Register as Amended
Read for the Second Time
- 05/11/2022 Referred to the Chief Clerk for Comparison with S. F. No. 2922
- 05/12/2022 Postponed Indefinitely

1.1 A bill for an act

1.2 relating to commerce; modifying provisions governing licensure and registration

1.3 of collection agencies; requiring the commissioner of commerce to collect and

1.4 maintain certain information regarding credit counseling services; amending

1.5 Minnesota Statutes 2020, section 332.33, subdivision 3, by adding a subdivision;

1.6 proposing coding for new law in Minnesota Statutes, chapter 332.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2020, section 332.33, subdivision 3, is amended to read:

1.9 Subd. 3. **Term.** Licenses issued or renewed and registrations received by the

1.10 commissioner of commerce under sections 332.31 to 332.44 shall expire on June 30. Each

1.11 collection agency license shall plainly state the name and business address of the licensee,

1.12 and shall be posted in a conspicuous place in the office where the business is transacted.

1.13 The fee for each collection agency license is \$500, and renewal is \$400. The fee for each

1.14 collector registration and renewal is \$10, which entitles the individual collector to work at

1.15 a licensee's business location or in another location as provided under subdivision 5b. An

1.16 additional branch license is not required for a location used under subdivision 5b. A collection

1.17 agency licensee who desires to carry on business in more than one place shall procure a

1.18 license for each place where the business is to be conducted.

1.19 **EFFECTIVE DATE.** This section is effective June 1, 2022.

1.20 Sec. 2. Minnesota Statutes 2020, section 332.33, is amended by adding a subdivision to
1.21 read:

1.22 Subd. 5b. **Work from home.** An employee of a licensed collection agency may work

1.23 from a location other than the licensee's business location if the licensee and employee

2.1 comply with all requirements under this section that would apply if the employee were
2.2 working at the business location.

2.3 **EFFECTIVE DATE.** This section is effective June 1, 2022.

2.4 Sec. 3. **[332.365] CREDIT COUNSELING ORGANIZATIONS; DEBTORS.**

2.5 Subdivision 1. **Duties of commissioner.** (a) The commissioner shall develop and maintain
2.6 a document that includes the contact information for nonprofit organizations domiciled in
2.7 Minnesota that provide credit counseling services to debtors. Credit counseling services
2.8 include but are not limited to (1) helping debtors understand their rights and responsibilities,
2.9 and (2) working with debtors, creditors, and collection agencies to satisfy debts. Contact
2.10 information for organizations that provide credit counseling services in languages other
2.11 than English to individuals whose primary language is other than English must be included.
2.12 The document shall include the following statement in English, Spanish, Somali, Hmong,
2.13 Vietnamese, and Chinese:

2.14 "There are resources available to help manage your debt. The following Minnesota
2.15 organizations offer debt and credit counseling services. The Department of Commerce does
2.16 not control or guarantee any of the services provided by these organizations. The provision
2.17 of this list is not a referral to, or endorsement or recommendation of, any organization or
2.18 the organization's services."

2.19 (b) The document shall be no more than one 8-1/2 by 11-inch sheet of paper. The
2.20 commissioner shall maintain the document and make it publicly available on the department's
2.21 website in a printable format. The commissioner may update the document no more than
2.22 once per year and must notify all licensed collection agencies after an update occurs. A
2.23 collection agency has 120 days from receiving notice from the commissioner of an update
2.24 to apply the changes to the document.

2.25 Subd. 2. **Duties of collection agency.** A collection agency must include the document
2.26 described in subdivision 1, with the initial written communication sent to a debtor, if the
2.27 initial communication is performed via United States mail, e-mail, or text message.

2.28 **EFFECTIVE DATE.** (a) This section is effective July 1, 2022.

2.29 (b) The document required to be developed and maintained by the commissioner under
2.30 subdivision 1, paragraph (a), must be completed on or before July 1, 2023. The document
2.31 may be updated for the first time by the commissioner no earlier than September 1, 2024.

2.32 (c) A collection agency must meet the requirements of subdivision 2 on or after September
2.33 1, 2023.