

CHAPTER 225—H.F.No. 2335

An act relating to debt collectors; amending procedures for licensure of debt collection agencies and registration of individual debt collectors; amending Minnesota Statutes 2010, sections 332.33, subdivisions 7, 8; 332.35.

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

Section 1. Minnesota Statutes 2010, section 332.33, subdivision 7, is amended to read:

Subd. 7. **Notice.** A licensed collection agency ~~or registered individual collector~~ must give the commissioner written notice of a change in ~~personal name~~, company name, address, or ownership not later than 15 days after the change occurs. A registered individual collector must give written notice of a change of address, name, or assumed name no later than 30 days after the change occurs.

Sec. 2. Minnesota Statutes 2010, section 332.33, subdivision 8, is amended to read:

Subd. 8. **Screening process requirement.** (a) Each licensed collection agency must establish procedures to follow when screening an individual collector applicant prior to submitting an applicant to the commissioner for initial registration and at renewal.

(b) The screening process for initial registration must be done at the time of hiring. The process must include a national criminal history record search, an attorney licensing search, and a county criminal history search for all counties where the applicant has resided within the five years immediately preceding the initial registration, to determine whether the applicant is eligible to be registered under section 332.35. Each licensed collection agency shall use a vendor that is a member of the National Association of Professional Background Screeners, or an equivalent vendor, to conduct this background screening process.

(c) Screening for renewal of individual collector registration must include a national criminal history record search and a county criminal history search for all counties where the individual has resided during the immediate preceding year. Screening for renewal of individual collector registrations must take place no more than 60 days before the license expiration or renewal date. A renewal screening is not required if an individual collector has been subjected to an initial background screening within 12 months of the first registration renewal date. A renewal screening is required for all subsequent annual registration renewals.

(d) The commissioner may review the procedures to ensure the integrity of the screening process. Failure by a licensed collection agency to establish these procedures is subject to action under section 332.40.

Sec. 3. Minnesota Statutes 2010, section 332.35, is amended to read:

332.35 PRIOR CONVICTION OR JUDGMENT AS DISQUALIFICATION.

No registration shall be accepted for, and no license shall be issued to, any person, firm, corporation or association who or which, or any of the officers of which have, within the past five years;

~~(1) been convicted in any court of fraud or any felony or have been convicted of or had judgment entered against them in any court for failure to account to a client or customer for money or property collected by them for the client or customer. No registration shall be accepted for, and no license shall be issued to, any attorney whose license to practice law has been suspended or revoked, for a period of five years after the date of such suspension or revocation;~~

(2) been convicted of any misdemeanor or gross misdemeanor involving identity theft or any financial crime;

(3) been unable to certify that they have no civil judgments against them for failure to account to a client or customer for money or property collected by them for the client or customer. A civil judgment does not disqualify an applicant for registration under this section, or under section 45.027, subdivision 7, clause (4), unless the civil judgment is for failure to account to a client or customer for money or property; or

(4) had a license to practice law revoked or involuntarily suspended.

Presented to the governor April 20, 2012

Signed by the governor April 23, 2012, 11:23 a.m.