

## HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. 2335

02/16/2012 Authored by Sanders, Hoppe, Daudt, Simon and Loon  
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform  
03/05/2012 Adoption of Report: Pass as Amended and Read Second Time  
04/02/2012 Calendar for the Day, Amended  
Read Third Time as Amended  
Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

1.1 A bill for an act  
1.2 relating to debt collectors; amending procedures for licensure of debt collection  
1.3 agencies and registration of individual debt collectors; amending Minnesota  
1.4 Statutes 2010, sections 332.33, subdivisions 7, 8; 332.35.

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

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

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

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

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

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

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

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

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

2.13 **332.35 PRIOR CONVICTION OR JUDGMENT AS DISQUALIFICATION.**

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

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

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

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

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