

332.33 LICENSING AND REGISTRATION.

Subdivision 1. **Requirement.** Except as otherwise provided in this chapter, no person shall conduct within this state a collection agency or engage within this state in the business of collecting claims for others as defined in sections 332.31 to 332.45, without having first applied for and obtained a collection agency license. A person acting under the authority of a collection agency, as a collector, must first register with the commissioner under this section. A registered collector may use one additional assumed name only if the assumed name is registered with and approved by the commissioner.

Subd. 2. **Penalty.** A person who carries on business as a collection agency without first having obtained a license or acts as a collector without first having registered with the commissioner pursuant to sections 332.31 to 332.45, or who carries on this business after the revocation, suspension, or expiration of a license or registration is guilty of a misdemeanor.

Subd. 3. **Term.** Licenses issued or renewed and registrations received by the commissioner of commerce under sections 332.31 to 332.45 shall expire on June 30. Each collection agency license shall plainly state the name and business address of the licensee, and shall be posted in a conspicuous place in the office where the business is transacted. The fee for each collection agency license is \$500, and renewal is \$400. The fee for each collector registration and renewal is \$10. A collection agency licensee who desires to carry on business in more than one place shall procure a license for each place where the business is to be conducted.

Subd. 4. **Investigations.** The commissioner may require financial statements and references of all applicants for a license or registration as the commissioner considers necessary. The commissioner may make or cause to be made an independent investigation concerning the applicant's reputation, integrity, competence, and net worth, at the expense of the applicant for the initial investigation, not to exceed \$500, and for that purpose may require a deposit against the cost of the investigation as the commissioner considers adequate. The investigation may cover all managerial personnel employed by or associated with the applicant.

Subd. 5. **Collection agency license issuance.** Every application for a collection agency license or renewal shall be acted upon promptly by the commissioner but in no event more than 45 days after receipt of the application. Each applicant may be issued a temporary license after submitting a complete application which meets all requirements for licensure. This license shall be effective until a permanent license is issued by the commissioner. If the application complies in form and substance with sections 332.31 to 332.45 and the rules adopted under those sections and the commissioner finds that the applicant is qualified under sections 332.31 to 332.45, the commissioner shall issue a license immediately. If the application is not sufficient in form or substance, the commissioner shall reject it and notify the applicant of the manner in which it is deficient. The rejection is without prejudice to the filing of a new application. On finding that the applicant is not qualified under sections 332.31 to 332.45, the commissioner shall reject the application and shall give the applicant written notice of the rejection and the reasons for the rejection.

Subd. 5a. **Individual collector registration.** A licensed collection agency, on behalf of an individual collector, must register with the state all individuals in the collection agency's employ who are performing the duties of a collector as defined in sections 332.31 to 332.45. The collection agency must apply for an individual collection registration on a form provided by the commissioner, or electronically when available. The collection agency shall verify on the form that the applicant has confirmed that the applicant meets the requirements to perform the duties of

a collector as defined in sections 332.31 to 332.45. Upon submission of the form to the department, the individual may begin to perform the duties of a collector and may continue to do so unless the licensed collection agency is informed by the commissioner that the individual is ineligible.

Subd. 6. Deposit of fees. All money received by the commissioner under this section shall be deposited in the general fund of the state treasury.

Subd. 7. Notice. A licensed collection agency must give the commissioner written notice of a change in 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.

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.

History: 1969 c 399 s 1; 1969 c 766 s 3; 1971 c 23 s 22; 1971 c 576 s 1; 1973 c 720 s 54 subd 2; 1979 c 144 s 6; 1980 c 516 s 2; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1985 c 248 s 70; 1986 c 444; 1987 c 37 s 2; 1987 c 358 s 118,119; 1997 c 222 s 50,51; 2004 c 208 s 1; 2012 c 225 s 1,2