

REVENUE: Minimal revenue impact, no statement issued

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed
Vote: 5 - 0 - 0
Yeas: Baertschiger, George, Monnes Anderson, Prozanski, Shields
Nays: 0
Exc.: 0
Prepared By: Channa Newell, Administrator
Meeting Dates: 3/20, 4/12, 4/17

WHAT THE MEASURE DOES: Allows District Attorney to authorize private entity under contract with District Attorney's office to collect debt pursuant to bad check diversion program. Prohibits use by third party debt collector of District Attorney's name, seal, or letterhead and the collection of fee in exchange for such use. Makes use of name, seal or letterhead of a public official or public official's office an unlawful collection practice.

ISSUES DISCUSSED:

- Effects of amendments
- District Attorney's Office contracting for debt collection services
- Use of District Attorney name and seal in debt collection by third parties
- Confusion as to who is collecting the debt

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure.

BACKGROUND: Recent national and regional media accounts have detailed the growing trend of private, third-party debt collectors using a District Attorney's letterhead or seal in attempts to collect bounced checks. The articles report that the District Attorney's office provides oversight of the collection and allows the use of its letterhead, name, or seal, in exchange for a fee once the debt is collected.

Senate Bill 525-A prohibits the use of a governmental unit's letterhead, seal, or name by a third-party debt collector, but does specifically authorize a District Attorney to partner with third-parties pursuant to a bad check diversion program.