

SB 1553 A STAFF MEASURE SUMMARY

Carrier: Rep. Holvey

House Committee On Rules

Action Date: 03/03/18

Action: Do Pass the A-Eng bill.

Vote: 9-0-0-0

Yeas: 9 - Barreto, Holvey, Kennemer, McLane, Nosse, Rayfield, Smith Warner, Williamson, Wilson

Fiscal: No fiscal impact

Revenue: No revenue impact

Prepared By: Adam Crawford, LPRO Analyst

WHAT THE MEASURE DOES:

Clarifies that a debt buyer, or a debt collector acting on behalf of a debt buyer, engages in an unlawful collection practice if the person collects or attempts to collect a purchased debt before providing specified documents within 30 days of debtor's request.

ISSUES DISCUSSED:

- The different entities collecting debt
- Work done in the 2017 session that left a slight ambiguity

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Unlike a debt collector who collects a debt on behalf of a creditor, the debt buyer owns the debt and is collecting on their own behalf. Prior to January 1, 2018, debt buyers were not subject to the unlawful collection practices that applied to debt collectors. The Legislature passed HB 2356 in 2017 to expand what constitutes an unlawful collection practice; establish a process debt buyers, or debt collectors acting on behalf of a debt buyer, must adhere to when bringing legal action against debtors; and require debt buyers to be licensed by the Department of Consumer and Business Services.

SB 1553-A clarifies that is it an unlawful collection practice for a debt buyer, or a debt collector acting on behalf of a debt buyer, to collect or attempt to collect a purchased debt before providing specified documents within 30 days of debtor's request for the documents.