



Senate Fiscal Agency
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Senate Bill 947 (as enacted)
Sponsor: Senator Rick Jones
Senate Committee: Regulatory Reform
House Committee: Regulatory Reform

PUBLIC ACT 560 of 2014

Date Completed: 2-10-15

CONTENT

The bill amended Article 9 (Collection Practices) of the Occupational Code to do the following:

- Delete a requirement that the Department of Licensing and Regulatory Affairs (LARA) audit a collection agency on a biennial basis.**
- Delete from the definition of "collection agency" a person engaged in soliciting a claim for collection.**

The Code requires a collection agency to keep and use books, accounts, or records required by LARA to determine whether the agency is complying with Article 9 and rules promulgated under it. An agency must preserve those records and make them accessible to LARA for at least three years after making the final payment entry on an account. A collection agency also must file an annual report with LARA.

Under the bill, LARA may audit a collection agency's books, accounts, and records when the Department Director determines it to be necessary. Article 9 previously required LARA to audit a collection agency's books, accounts, and records on a biennial basis or when determined necessary by the Director.

A licensee under Article 9 that commits certain violations is subject to sanctions under the Code. One of those violations is failure to allow an audit when determined necessary by the LARA Director. Previously, failure to allow an audit on a biennial basis also was grounds for sanctions.

Article 9 defines "collection agency" as a person that is directly or indirectly engaged in collecting or attempting to collect a claim owed or due or asserted to be owed or due another, or repossessing or attempting to repossess a thing of value owed or due or asserted to be owed or due another arising out of an expressed or implied agreement. The bill removed from the definition a person directly or indirectly engaged in soliciting a claim for collection.

The bill took effect on January 15, 2015.

MCL 339.910 & 339.917

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill will have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.