



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bills 656 and 657 (as reported without amendment)

Sponsor: Senator Rick Jones

Committee: Banking and Financial Institutions

CONTENT

Senate Bill 656 would amend Article 9 of the Occupational Code, which regulates collection agencies, to revise the definition of "collection agency". The term means 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 express or implied agreement. The bill would remove the phrase "or indirectly" from the definition.

The bill also would exclude from the definition of "collection agency" a forwarding agency that, acting on behalf of a creditor or lender, forwards a claim, collection, or repossession to a collection agency licensed under Article 9.

In addition, the bill provides that, as used in Article 9, "collecting or attempting to collect a claim", "repossessing or attempting to repossess a thing of value", and "collection activities" would not include specified activities of a claim forwarder or remarketer under a contract with a creditor.

Senate Bill 657 would amend Public Act 70 of 1981, which regulates the collection practices of various types of businesses, to revise the definition of "collection agency". The term means a person that is directly engaged or indirectly engaged in soliciting a claim for collection or 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 express or implied agreement. The bill would remove the phrases "or indirectly" and "soliciting a claim for collection" from the definition.

Also, under the bill, the phrases "collecting or attempting to collect a claim", "repossessing or attempting to repossess a thing of value", and "collection activities" would not include any of the activities of a claim forwarder or remarketer that would be excluded from those phrases under Senate Bill 656.

Each bill would take effect 90 days after its enactment.

MCL 339.901 (S.B. 656)
445.251 (S.B. 657)

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Date Completed: 2-19-16

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Bill Analysis @ www.senate.michigan.gov/sfa

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