

Legislative Analysis



DEBT COLLECTOR PRACTICES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bills 4657 and 4658 as introduced

Sponsor: Rep. Michael Webber

Committee: Financial Services

Complete to 9-5-17

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Under the Debt Collector Practices section of the Occupational Code (MCL 339.915), a collections agency licensee is prohibited from committing certain acts with a debtor during the course of debt collection. The Act to Regulate the Collection Practices of Certain Persons (MCL 445.252) prohibits the same acts for a regulated person, as defined under that act, whose collection activities are confined and are directly related to the operation of a business other than that of a collection agency.

House Bills 4657 and 4658 would amend the Occupational Code and the Act to Regulate the Collection Practices of Certain Persons, respectively, to add to these lists of prohibited acts. A licensee or regulated person could not do any of the following:

- Implicate a debtor in a crime.
- Engage in conduct to disgrace a debtor while collecting a claim.
- Disrupt the tranquility, peace, and harmony of a debtor's residency by violence or other verbal or physical means.
- Incite the debtor to commit an assaultive crime (as that term is defined in the Code of Criminal Procedure (MCL 770.9a).

In addition to any penalties assessed under the applicable acts or otherwise prescribed by law, a licensee or regulated person in violation of this section would be guilty of a misdemeanor punishable by a fine of not more than \$2,300 or imprisonment up to one 1 year or both.

FISCAL IMPACT:

Neither House Bill 4657 nor 4658 would have a fiscal impact on the state.

The bills could result in increased costs for local units of government related to local courts, county jails, and/or local misdemeanor probation supervision. The costs of local incarceration in county jails and local misdemeanor probation supervision vary by jurisdiction. Any increase in penal fine revenues would increase funding for local libraries, which are the constitutionally designated recipients of those revenues.

Legislative Analyst: E. Best
Fiscal Analysts: Marcus Coffin
Robin Risko

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.