

STATE BOARD OF COLLECTION AGENCIES

(#0221) 2009-11 BIENNIUM

I) AGENCY SUMMARY & REVENUE SOURCES

MISSION

The State Board of Collection Agencies (SBCA) regulates collection agency activities in Arkansas. Collection agencies must be licensed if (a) they are located in Arkansas or (b) they contact consumers in Arkansas. The SBCA works to protect creditors who give their accounts to collection agencies to be collected and consumers who are being contacted by collection agencies. The board prevents undesirable collection activities, ensures compliance with Arkansas debt collection laws and educates Arkansas consumers of their rights when dealing with a collection agency.

The SBCA investigates consumer complaints of unfair or unconscionable collection practices, assessment of prohibited collection charges, and un-licensed activity.

TOTAL BIENNIAL BUDGET

The biennial budget totals \$1,481,686 FY10 and \$1,677,566 FY11.

FUNDING SOURCE

The State Board of Collection Agencies is funded from the receipts of licensing fees received from collection agencies.

II) SIGNIFICANT CHANGES

Appropriation for the Division of Check Cashing was discontinued pursuant to the ruling in *McGhee vs. Arkansas State Board of Collection Agencies*, Case No. 08-164, delivered November 6, 2008, the Arkansas Supreme Court held that the Check-cashier's Act, A.C.A. 23-52-101 et seq., was unconstitutional in its entirety.

III) INCREASE/DECREASE POSITIONS:

Total Positions for FY 2009-11 Biennium: 4

Total Positions for FY 2007-09 Biennium: 8

Extra Help: 1

The Division of Check-cashing was discontinued, resulting in a loss of four positions and one extra help position.

IV) SPECIAL LANGUAGE

Pursuant to A.C.A. 17-24-305, each fiscal year the first \$115,000 of Collection Agencies licensing fees collected will be remitted to the Department of Human Services - Division of Medical Services, additional funds collected in an amount not to exceed \$600,000 shall be remitted to UAMS - College of Pharmacy and the College of Nursing. Additional funds collected in an amount not to exceed \$250,000 shall be remitted to the ASU-Mountain Home Practical Nurse Program. Additional funds collected in an amount not to exceed \$100,000 shall be remitted to the University of Central Arkansas - Department of Nursing.