

State of Arkansas
94th General Assembly
Regular Session, 2023

A Bill

SENATE BILL 321

By: Senator Irvin
By: Representatives Gramlich, L. Johnson, Wardlaw

For An Act To Be Entitled

AN ACT TO CLARIFY THE DEFINITION OF A COLLECTION AGENCY; TO DELETE OBSOLETE REFERENCES CONCERNING APPOINTMENTS TO THE STATE BOARD OF COLLECTION AGENCIES AND THE GRADING OF EXAMINATIONS; TO PROVIDE CAUSES FOR THE REMOVAL OF BOARD MEMBERS OF THE STATE BOARD OF COLLECTION AGENCIES AND PROCEDURES FOR FILLING VACANCIES; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE DEFINITION OF A COLLECTION AGENCY; AND CONCERNING APPOINTMENTS, REMOVAL, AND VACANCIES OF THE STATE BOARD OF COLLECTION AGENCIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code §17-24-101 is amended to read as follows:
17-24-101. Definition.

As used in this chapter, unless the context otherwise requires, “collection agency” means any person, partnership, corporation, association, limited liability corporation, or firm that:

(1) ~~which engages~~ Engages in the collection of delinquent accounts, bills, or other forms of indebtedness owed or due or asserted to be owed or due to another;

(2) ~~or any person, partnership, corporation, association, limited liability corporation, or firm using~~ Uses a fictitious name or any



1 name other than its own ~~in the collection of~~ to collect their own accounts
 2 receivable; ~~or any person, partnership, corporation, association, limited~~
 3 ~~liability corporation, or firm which solicits~~

4 (3) Solicits claims for collection; ~~or any person, partnership,~~
 5 ~~corporation, association, limited liability corporation, or firm that~~
 6 ~~purchases~~

7 (4) Purchases and attempts to collect delinquent accounts or
 8 bills.

9
 10 SECTION 2. Arkansas Code §17-24-201 is amended to read as follows:
 11 17-24-201. Creation – Members.

12 (a)(1) There is created a State Board of Collection Agencies
 13 composed of five (5) members to be appointed by the Governor.

14 (2) The members of the board:

15 (A) Shall hold office until a successor is appointed
 16 and qualified; and

17 (B) May be removed by the Governor for:

18 (i) Lacking competency to perform the duties
 19 of the position;

20 (ii) Conduct or behavior that is immoral;

21 (iii) Physical or mental infirmity that
 22 prevents the discharge of the member's duties;

23 (iv) An abuse of his or her official power; or

24 (v) Other good cause.

25 (3) The Governor shall fill a vacancy by appointment
 26 within thirty (30) days after the vacancy occurs.

27 (4) A member appointed to fill a vacancy caused by death,
 28 resignation, or removal:

29 (A) Shall meet the qualifications of the vacancy to
 30 be filled;

31 (B) Shall serve for the unexpired term of their
 32 predecessor; and

33 (C) Is eligible to be subsequently appointed to the
 34 board to the same position and any other position to which the member is
 35 qualified.

36 ~~(2)-(5)~~ (5) The members of the board shall serve three-year

1 staggered terms without compensation except they may receive expense
 2 reimbursement and stipends in accordance with § 25-16-901 et seq.

3 (b)(1)~~(A)~~ ~~One (1) member~~ Two (2) members shall ~~be appointed by the~~
 4 ~~Governor after consulting the Associated Credit Bureaus of Arkansas, Inc.,~~
 5 ~~subject to confirmation by the Senate, and another shall be appointed by the~~
 6 ~~Governor after consulting with the Arkansas Collectors Association, Inc. and~~
 7 ~~subject to confirmation by the Senate.~~

8 ~~(B) The persons appointed under subdivision (b)(1)(A) of~~
 9 ~~this section shall:~~

10 ~~(i)(A)~~ Be actively engaged as ~~the owners or managers an~~
 11 owner or manager of a collection agency or someone employed by a collection
 12 ~~agencies~~ agency in an executive capacity; and

13 ~~(ii)(B)~~ Have been actively engaged in connection with the
 14 operation of a collection agency for five (5) years next preceding their
 15 appointment.

16 (2) One (1) member, ~~who shall not be a member of either such~~
 17 ~~association,~~ shall be selected from the public at large.

18 (3)~~(A)~~ One (1) member shall:

19 ~~(A) represent~~ Represent the elderly; ~~and shall~~

20 ~~(B) -be~~ Be at least sixty (60) years of age; ~~or older, and~~

21 ~~(B)(C) This member shall not~~ Not be actively engaged in or
 22 retired from the operation of a collection agency.

23 ~~(C) He or she shall be selected from the state at large~~
 24 ~~subject to confirmation by the Senate and shall be a full voting member but~~
 25 ~~shall not participate in the grading of examinations.~~

26 (4)~~(A)~~ One (1) member shall be:

27 ~~(A) selected~~ Selected to represent the banking industry;
 28 and

29 ~~(B) He or she shall be an~~ An Arkansas resident who is
 30 actively engaged in the operation of a banking entity that is chartered to
 31 conduct business in the State of Arkansas.