

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



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

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

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

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

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

(2) The members of the board:

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

(B) May be removed by the Governor for:

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

(ii) Conduct or behavior that is immoral;

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

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

(v) Other good cause.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**APPROVED: 3/21/23**