

STATE BOARD OF COLLECTION AGENCIES

(#0221) 20011-13 BIENNIUM

Executive Recommendation

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 total budget is \$1,588,114 each year of the biennium.

FUNDING SOURCE

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

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.

Funding is requested at Base Level for FY12 and FY13.

III) INCREASE/DECREASE POSITIONS: NONE

Total Positions for FY 2011-13: 4

Total Positions for FY 2010-11: 4

Extra Help: 1

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.