

CHAPTER 388—S.F.No. 3291

VETOED

CHAPTER 389—S.F.No. 619

An act relating to commerce; regulating collection agencies; exempting out-of-state agencies from licensure under certain conditions; amending Minnesota Statutes 1998, section 332.31, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 332.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 1998, section 332.31, is amended by adding a subdivision to read:

Subd. 7. **EXEMPT OUT-OF-STATE COLLECTION AGENCY.** “Exempt out-of-state collection agency” means a collection agency that has no physical presence in this state, that is engaged in the business of collecting claims on behalf of creditors that have no physical presence in this state, and that only conducts business within this state by means of interstate communications including telephone, mail, and facsimile transmission.

Sec. 2. **[332.335] EXEMPTION FROM LICENSURE.**

Subdivision 1. **EXEMPTION FROM LICENSURE.** An exempt out-of-state collection agency, as defined by section 332.31, subdivision 7, that has obtained a certificate of exemption under subdivision 2 is exempt from the collector and collection agency licensing requirements of this chapter, but is subject to all other provisions of sections 45.027 and 332.31 to 332.45.

Subd. 2. **CERTIFICATE OF EXEMPTION.** To qualify as an exempt out-of-state collection agency, a person, except for those excluded from the definition of collection agency under section 332.32, must, before initiating collection activity, obtain a certificate of exemption from the commissioner. A certificate of exemption must be issued upon the applicant’s filing an application on a form approved by the commissioner if the applicant is found to be qualified under this chapter. The form must include:

(1) a signed statement that the exempt out-of-state collection agency holds a valid license to do business as a collection agency in another state whose requirements for

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licensing are similar to the requirements imposed under this chapter along with a copy of the licensing document from the other state;

(2) certification that the exempt out-of-state collection agency will not solicit or collect claims for any creditor who has a business presence in this state. A creditor has a business presence in this state if either the creditor or an affiliate or subsidiary of the creditor has an office in this state;

(3) certification that the exempt out-of-state collection agency will not establish a physical presence in this state and that all collection activity in this state will be conducted exclusively by means of interstate communications including telephone, mail, or facsimile transmission;

(4) evidence of a corporate surety bond substantially similar, as determined by the commissioner, to the bond required under section 332.34;

(5) appointment of the commissioner as the exempt out-of-state collection agency's agent for service of process in this state; and

(6) written acknowledgment that the exempt out-of-state collection agency agrees to be subject to the jurisdiction of Minnesota courts and the Minnesota Administrative Procedures Act, chapter 14, in connection with the commissioner's enforcement of Minnesota law pertaining to collection activities in Minnesota, including compliance with this chapter and chapter 45.

Subd. 3. NOTICE. An exempt out-of-state collection agency must advise the commissioner of any material changes to the information submitted in the most recent application within ten days of the change.

Subd. 4. LOSS OF EXEMPTION. In addition to fines and other authorized sanctions, a certificate of exemption is considered revoked if the exempt out-of-state collection agency is found to be in violation of any provision of Minnesota Statutes, chapter 45 or 332, or the Fair Debt Collection Practices Act of 1977, United States Code, title 15, sections 1691 to 1693r.

Presented to the governor April 10, 2000

Signed by the governor April 13, 2000, 5:00 p.m.

CHAPTER 390—S.F.No. 3138

An act relating to veterans; making technical changes regarding duties of the commissioner of veterans affairs; extending the agent orange information and assistance program to include other veterans and other chemicals; authorizing the placement of a plaque in the court of honor on the capitol grounds to honor combat wounded veterans; repealing obsolete language; amending Minnesota Statutes 1998, sections 196.05, subdivision 1; 196.052; 196.19; 196.21, subdivisions 2, 3 and 4; 196.22; 196.23; 196.24, subdivisions 1 and 2; 196.26; 197.04; 197.05; 197.06; repealing Minnesota Statutes 1998, sections 196.20; 197.01; 197.02; and 197.49;

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