67th Legislature

1		BILL NO	
2			
3		(Primary Sponsor)	
4	A BILL FOR	AN ACT ENTITLED: "AN ACT GENERALLY REVISING COLLECTION AGENCY LAWS;	
5	LIMITING T	HE AMOUNT OF MONEY A COLLECTION AGENCY MAY COLLECT ON A DEBT; LIMITING THE	
6	AMOUNT OF TIME A COLLECTION AGENCY MAY COLLECT ON A DEBT; PROVIDING AN		
7	APPROPRIATION; AMENDING SECTION 30-14-2013, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE		
8	DATE AND AN APPLICABILITY DATE."		
9			
10	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:		
11			
12	Sec	tion 1. Section 30-14-2013, MCA, is amended to read:	
13	"30-	14-2013. Prohibited practices. (1) A credit counseling service may not:	
14	(a)	purchase any debt or obligation of a consumer;	
15	(b)	lend money or provide credit to a consumer;	
16	(C)	obtain a mortgage or other security interest in any property of a consumer;	
17	(d)	operate as a collection agency;	
18	(e)	structure a debt management plan in a way that at the debt management plan's conclusion any	
19	debts of the consumer that are subject to the debt management plan are not fully amortized;		
20	(f)	charge for or provide credit insurance;	
21	(g)	cause or attempt to cause a consumer to waive or forego any right or benefit that the consumer	
22	has under the provisions of this part; or		
23	(h)	operate in this state without a license.	
24	(2)	(a) A credit counseling service may not advertise its services in any manner in this state without	
25	first being licensed by the department.		
26	(b)	A credit counseling service or any person on a credit counseling service's behalf may not	
27	misrepresent any material fact or make a false promise intended to induce a consumer into entering a debt		
28	management plan.		



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1	(3) (a) A collection agency may not collect on a debt in excess of:		
2	(i) collecting 150% of the original value of the debt; or		
3	(ii) a period of 10 years.		
4	(b) Transferring a debt to another collection agency or another person or entity does not reset the		
5	limits established in subsection (3)(a)."		
6			
7	NEW SECTION. Section 2. Appropriation. There is appropriated \$1 from the general fund to the		
8	office of consumer protection for the biennium beginning July 1, 2021, for the purposes of [section 1(3)].		
9			
10	NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.		
11			
12	NEW SECTION. Section 4. Applicability. [This act] applies to debts transferred to a debt collection		
13	agency on or after [the effective date of this act].		
14	- END -		

