



2015 SENATE BILL 438

December 7, 2015 – Introduced by Senators LEMAHIEU, LASEE, MOULTON, NASS, STROEBEL and WANGGAARD, cosponsored by Representatives NERISON, ALLEN, BALLWEG, E. BROOKS, DOYLE, HORLACHER, JACQUE, KAHL, KATSMAN, KNODL, KOOYENGA, KREMER, MURPHY, RIPP, STEFFEN, TITTL and VORPAGEL. Referred to Committee on Revenue, Financial Institutions, and Rural Issues.

1 **AN ACT to amend** 218.04 (1) (b) and 218.04 (4) (a) of the statutes; **relating to:**
2 the location of operations of a collection agency and persons employed by a
3 collection agency.

Analysis by the Legislative Reference Bureau

This bill allows an employee of a licensed collection agency to work from the employee's home and clarifies that, in doing so, the employee is not required to be separately licensed as a collector or solicitor.

Under current law, a person may not operate as a collection agency unless the person is licensed as a collection agency by the Division of Banking in the Department of Financial Institutions. A "collection agency" is defined as a person engaging in the business of collecting or receiving for payment for others of any account, bill, or other indebtedness, but the definition also contains specific exceptions, including those for attorneys and banks. A collection agency license permits operation of the collection agency only at or from the location specified in the license and the collection agency license must be conspicuously posted in the office of the collection agency.

Also under current law, a "collector" or "solicitor" is defined as a person employed by a collection agency to collect or receive payment, or to solicit the receiving or collecting of payment, for others of any account, bill, or other indebtedness outside of the office. A collector or solicitor must hold a separate license as a collector or solicitor, which must state the name of the collector's or solicitor's employer. The collector or solicitor must carry this license as a means of identification whenever the collector or solicitor is engaged in business.

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This bill specifies that an employee of a licensed collection agency may work from the employee's home if the employee complies with all of the same requirements that would apply if the employee were working within the licensed office of the collection agency. The bill also modifies the definition of "collector" or "solicitor" so that it does not include a person who works from home and the bill clarifies that a licensed collector or solicitor employed by a collection agency may work outside the licensed office of the collection agency.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 218.04 (1) (b) of the statutes is amended to read:

2 218.04 (1) (b) "Collector" or "solicitor" means any person employed by a
3 collection agency to collect or receive payment or to solicit the receiving or collecting
4 of payment for others of any account, bill or other indebtedness outside of the office
5 or the person's home.

6 **SECTION 2.** 218.04 (4) (a) of the statutes is amended to read:

7 218.04 (4) (a) Except as provided in par. (am), upon the filing of such
8 application and the payment of such fee, the division shall make an investigation,
9 and if the division finds that the character and general fitness and the financial
10 responsibility of the applicant, and the members thereof if the applicant is a
11 partnership, limited liability company or association, and the officers and directors
12 thereof if the applicant is a corporation, warrant the belief that the business will be
13 operated in compliance with this section the division shall thereupon issue a license
14 to said applicant. Such license is not assignable and shall permit operation under
15 it only at or from the location specified in the license, except that an employee of a
16 licensed collection agency may work from the employee's home if the employee
17 complies with all of the same requirements under this section and the division's rules
18 that would apply if the employee were working within the licensed office and except

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1 that a licensed collector or solicitor may work outside the licensed office of a collection
2 agency. A nonresident of this state may, upon complying with all other provisions of
3 this section, secure a collection agency license provided the nonresident maintains
4 an active office in this state.

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(END)