

SECOND REGULAR SESSION

# HOUSE BILL NO. 2114

## 97TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES CIERPIOT (Sponsor) AND TORPEY (Co-sponsor).

6259H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To amend chapter 425, RSMo, by adding thereto one new section relating to debt collectors.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 425, RSMo, is amended by adding thereto one new section, to be  
2 known as section 425.050, to read as follows:

**425.050. 1. As used in this section, the following terms mean:**

2 **(1) “Conduct business in Missouri”, taking any steps to collect a debt of another**  
3 **if the judgment debtor is a Missouri resident, if the judgment is from a Missouri court, if**  
4 **the judgment has been registered in Missouri, or if the collection activities target a**  
5 **judgment debtor’s funds, wages, or assets located in Missouri regardless of whether the**  
6 **debt collector is physically present in the state. “Conduct business in Missouri” shall**  
7 **include, but not be limited to, taking assignments of judgment or otherwise contracting to**  
8 **collect a debt of another, promoting or advertising oneself as a debt collector in Missouri**  
9 **or a collector of Missouri judgments, making requests of payment to judgment debtors,**  
10 **filing any court process, or taking any step to collect a judgment such as a request for a**  
11 **writ of execution, a garnishment, sequestration, levy, attachment, or similar order;**

12 **(2) “Debt collector”, any person, proprietorship, partnership, business**  
13 **organization, or entity of any kind that collects the debts of another, including collection**  
14 **agencies, but not including an attorney licensed to practice law in Missouri or admitted in**  
15 **Missouri pro hac vice.**

16 **2. No debt collector shall conduct business in Missouri unless the debt collector has**  
17 **first posted a bond or other form of security with the department of insurance, financial**  
18 **institutions and professional registration in an amount of at least one hundred thousand**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

19 dollars to stand as surety in the event of claims brought against the debt collector by any  
20 party with standing, including the attorney general. The posting of such bond or surety  
21 shall serve as additional security and not as a replacement of the debt collector's liability  
22 for violations of applicable law.

23       **3. A judgment creditor shall only be entitled to collection of post judgment interest**  
24 **under section 408.040 if:**

25       **(1) The judgment creditor is the original plaintiff and is an individual person; or**

26       **(2) The judgment creditor is represented in the collection of the judgment by an**  
27 **attorney licensed to practice law in Missouri.**

28       **4. A debt collector shall make no direct contact with prospective clients. For the**  
29 **purposes of this section, the phrase "direct contact with prospective clients" shall have the**  
30 **same meaning as defined in supreme court rule 4.7-3.**

31       **5. A debt collector shall be subject to the provisions of chapter 407.**

32       **6. This section shall not apply to debt collectors who pursue judgments where the**  
33 **judgment debtor is not an individual.**

34       **7. The department of insurance, financial institutions and professional registration**  
35 **shall promulgate rules to implement the provisions of this section. Any rule or portion of**  
36 **a rule, as that term is defined in section 536.010, that is created under the authority**  
37 **delegated in this section shall become effective only if it complies with and is subject to all**  
38 **of the provisions of chapter 536 and, if applicable, section 536.028. This section and**  
39 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**  
40 **under chapter 536 to review, to delay the effective date, or to disapprove and annul a rule**  
41 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**  
42 **rule proposed or adopted after August 28, 2014, shall be invalid and void.**

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