

HB 1848 -- DEBT COLLECTION

SPONSOR: Bland Manlove

This bill prohibits a debt collector from collecting consumer debt through judicial proceedings if the debt collector knows or should know that service of process has not been legally effective. The debt collector cannot send a communication that simulates legal or judicial process or that gives the appearance of being issued by a governmental agency when it has not been. A violation of these requirements is a class B misdemeanor.

Additionally, a debt collector who violates these requirements is liable to the debtor in an individual action, with the liability limited to damages sustained by the debtor as a result of the violation. However, a debt collector who violates these requirements willfully and knowingly will be additionally liable for a penalty of between \$100 and \$1000. A prevailing party may be entitled to costs of the action, including attorney's fees. The action must be brought within one year from the occurrence of the violation.