

Original sponsor: Commerce Committee  
by request

Offered: 3/12/68  
Referred: Judiciary

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 194

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act concerning the licensing and regulation of  
7 collection agencies; and providing for an effective  
8 date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 08 is amended by adding a new chapter to read:

11 CHAPTER 25. COLLECTION AGENCIES.

12 ARTICLE 1. COLLECTION AGENCY BOARD.

13 Sec. 08.24.011. COLLECTION AGENCY BOARD. There is created a  
14 Collection Agency Board consisting of three members two of whom shall  
15 be appointed by the governor. The board shall consist of two persons  
16 engaged in the collection agency business within the state and licensed  
17 under this chapter. The third member shall be designated by the commis-  
18 sioner of commerce from his staff.

19 Sec. 08.24.016. TRANSPORTATION AND PER DIEM. Notwithstanding the  
20 provisions of AS 39.20, no board member, other than the member desig-  
21 nated by the commissioner of commerce, is entitled to transportation  
22 or per diem allowance.

23 Sec. 08.24.021. APPOINTMENT AND TERM OF OFFICE. The board member  
24 shall be appointed initially for terms of two and three years respec-  
25 tively. Thereafter, appointments to the board shall be made upon the  
26 expiration of the initial appointment and the term of office for each  
27 member so appointed shall be three years. The members shall serve at  
28 the pleasure of the governor. Vacancies caused by death, resignation  
29 or removal from office shall be filled by appointment of the governor.

1           Sec. 08.24.031. DUTIES OF BOARD. The board may adopt rules and  
2 regulations necessary to effectuate the purposes of this chapter. The  
3 commissioner of the Department of Commerce or his designee within the  
4 department shall pass upon the qualifications of applicants for collec-  
5 tion agency licenses and operators licenses.

6           ARTICLE 2. POWERS AND DUTIES OF DEPARTMENT OF COMMERCE.

7           Sec. 08.24.041. DUTY TO ENFORCE CHAPTER. The department shall  
8 enforce all laws, rules and regulations relating to collection agencies.

9           Sec. 08.24.051. POWER TO SEEK INJUNCTIONS. The department may apply  
10 to the superior court for an injunction to temporarily restrain a viola-  
11 tion of this chapter or a rule or regulation issued under it, conduct  
12 investigations of alleged violations of this chapter, and regulations  
13 enacted under this chapter, and perform other action necessary to  
14 accomplish the purposes of this chapter.

15           Sec. 08.24.061. PUBLICATION OF APPLICABLE LAW. The department  
16 shall reproduce the laws relating to licensing of collection agencies  
17 and operators, the rules and regulations adopted by the department or the  
18 board and other pertinent matter, publish the material in pamphlet form,  
19 and make the pamphlets available to the public without expense.

20           Sec. 08.24.071. DIRECTORY OF LICENSED AGENCIES. The department  
21 shall publish on or about August 1 of each year a directory containing  
22 a list of licensed collection agencies which shall specify as to each  
23 agency its owners and officers and the names of its licensed operator  
24 or operators, together with other matters pertinent to the general  
25 purposes of this chapter. The department shall mail one copy of the  
26 directory to each licensed collection agency, to the clerk of each  
27 superior court within the state, and upon request, to other persons.

28           ARTICLE 3. LICENSING.

29           Sec. 08.24.090. LICENSE REQUIRED. (a) No person other than a

1 collection agency licensed and authorized under this chapter may

2 (1) conduct a collection agency business in this state;

3 (2) collect claims for others in this state;

4 (3) solicit the right to collect or receive payment of a  
5 claim for another;

6 (4) advertise or solicit either in print, by letter, in  
7 person or otherwise, the right to collect or receive payment of a claim  
8 for another;

9 (5) seek to make collection or obtain payment of a claim on  
10 behalf of another;

11 (b) This section does not apply to the following when engaged in  
12 the regular course of their respective businesses:

13 (1) attorneys at law;

14 (2) persons regularly employed on a regular wage or salary  
15 in the capacity of credit men or a similar capacity, except as an  
16 independent contractor;

17 (3) banks, including trust departments of banks, fiduciaries  
18 and financing and lending institutions;

19 (4) common carriers;

20 (5) title insurers and abstract companies while doing an  
21 escrow business;

22 (6) licensed real estate brokers;

23 (7) employees of licensees under this chapter;

24 (8) substation payment offices employed by or serving as  
25 independent contractors for public utilities.

26 (c) A violation of this section is a misdemeanor punishable by  
27 imprisonment in a jail for not to exceed one year, or by a fine of not  
28 more than \$1,000, or by both.

29 **Sec. 08.24.100. LICENSED OPERATOR REQUIRED, EXCEPTIONS AND FEE.**

1 (a) Notwithstanding any other provision of this chapter, no licensee  
2 may engage in the collection agency business unless and until the  
3 collection agency, and each branch office of the agency is under the  
4 management and control of a licensed operator for each office. The  
5 department or the board may waive this requirement for a period not to  
6 exceed 90 days upon the death or disability of an operator, or for other  
7 good cause.

8 (b) The annual operator's license shall be renewable on or before  
9 July 1 of each second year beginning on July 1, 1968, and the biennial  
10 fee is \$100.

11 Sec. 08.24.110. QUALIFICATION FOR OPERATOR'S LICENSE. (a) To  
12 qualify for an operator's license, the applicant shall:

13 (1) have been a resident of this state continuously for at  
14 least one year before the time of application;

15 (2) be a high school graduate, or have the equivalent educa-  
16 tion of a high school graduate;

17 (3) be of good moral character;

18 (4) not have been convicted of violating this chapter, nor  
19 have any unsettled complaints under this chapter against him;

20 (5) not have been convicted of a felony or a crime of larceny  
21 or embezzlement or a crime involving moral turpitude;

22 (6) be 19 years of age or older at the time of application;

23 (7) not be a disbarred attorney or have filed bankruptcy;

24 (8) pay the biennial license fee which is fixed at \$100.

25 (b) The commissioner may waive or modify the requirements speci-  
26 fied in (a) (2), (4), (5), and (7) of this section for good cause shown.

27 Sec. 08.24.120. APPLICATION FOR OPERATOR'S LICENSE. (a) An appli-  
28 cation for an operator's license shall be made on forms furnished by  
29 the department and shall contain the information required in sec. 110

1 of this chapter and, in addition, the following:

2 (1) a complete set of fingerprints;

3 (2) a 2" x 3" photograph showing a front view of head and  
4 shoulders;

5 (3) if an original application, an application fee of \$40;

6 (4) the biennial license fee required by sec. 100 of this chapter

7 (b) The department and the board are authorized to make a complete  
8 investigation of applicants including inquiry of police agencies as to  
9 the applicant's record of arrest or conviction of crime.

10 Sec. 08.24.130. APPLICATION FOR AGENCY LICENSE. (a) An applica-  
11 tion for a collection agency license, or for a renewal of a license shall  
12 be made upon forms furnished by the department and shall contain the  
13 following information:

14 (1) the full name and proposed business name of the applicant;

15 (2) the address of the applicant's principal place of business  
16 and branch offices;

17 (3) the names and addresses of the applicant and those associated  
18 with him; if the applicant is a corporation or association, the applica-  
19 tion shall contain the names of the officers of the corporation or  
20 association;

21 (4) the names and residential addresses of the applicant's  
22 operators;

23 (5) additional information which the department or the board,  
24 by rule or regulation, requires.

25 (b) Every natural person applying for a collection agency license  
26 must be 19 years of age or older at the time of making application.

27 Sec. 08.24.140. FEE, BOND AND OTHER MATERIAL. (a) The application  
28 shall be accompanied by:

29 (1) if an original application, an application fee of \$100;

1 (2) the biennial license fee for a collection agency which  
2 is fixed at \$200 for the principal place of business and \$200 for each  
3 branch office;

4 (3) a bond running to the state with a surety or sureties to  
5 the satisfaction of the department, and conditioned that the licensee  
6 shall, within 30 days after the close of each calendar or fiscal month,  
7 report and pay to his customers the net proceeds due and payable of all  
8 collections made during the calendar or fiscal month which shall exceed  
9 \$20 in amount.

10 (b) All money collected by an agency shall be deposited in a trust  
11 account and cleared at the end of each month. The department may audit  
12 any agency transaction.

13 Sec. 08.24.150. BOND. (a) The bond provided for in sec. 140 of  
14 this chapter shall be in the sum of \$5,000, executed by the applicant,  
15 as principal, and by a corporation which is licensed or authorized to  
16 transact business of fidelity and surety insurance within the state as  
17 surety. The department may at any time request verification of a  
18 bonding agent's authority by the main office of any company acting as  
19 surety.

20 (b) A licensee may, at any time, file with the department a new  
21 bond. A licensee may in lieu of a bond make a \$5,000 cash deposit with  
22 the department, the deposit to be held by the department under the same  
23 terms and conditions as if bond in that amount were posted.

24 (c) A surety may file with the department notice of his withdrawal  
25 on the bond of a licensee. Upon filing a new bond, or upon the revoca-  
26 tion of the collection agency license, or upon expiration of 60 days  
27 after the filing of notice of withdrawal as surety by the surety, the  
28 liability of the former surety for all future acts of the licensee  
29 shall terminate.

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(d) The department shall immediately cancel the bond given by a surety company upon being advised its license to transact business of fidelity and surety insurance has been revoked by the state.

(e) Upon the filing with the department of notice by a surety of his withdrawal as the surety on the bond of a licensee, or upon the cancellation by the department of the bond of a surety company as provided in this section, the department shall immediately give notice to the licensee of the withdrawal or cancellation, which notice shall be by registered or certified mail with request for a return receipt and addressed to the licensee at his main office, as shown by the records of the department. At the expiration of 30 days from the date of mailing the notice, the license of the licensee shall be terminated, unless the licensee has filed a new bond with a surety satisfactory to the department. All bonds given under this chapter shall be filed and held in the office of the department.

(f) The bond required by this section shall remain in effect until cancelled by action of the surety, the principal or the department. No action may be initiated upon the bond after two years from its cancellation.

Sec. 08.24.160. FORM OF BOND. The bond required by secs. 140 and 150 of this chapter shall be in the form substantially as follows:

BOND

Know All Men by These Presents that we, . . . . ., as principal, and . . . . . as surety, are held and firmly bound unto the State of Alaska, in the penal sum of . . . . . (\$ . . . ), lawful money of the United States, for the payment of which well and truly to be made we, and each of us, bind ourselves, our heirs, executors, administrators, successors and assigns jointly and severally, firmly by these presents.

The condition of this obligation is such that whereas, the above

1 bonded principal has applied to the Department of Commerce of the State  
2 of Alaska for a collection agency license under the provisions of  
3 AS 08.24 and is required by the provisions of that law to furnish a  
4 bond conditioned as herein set forth.

5 Now, therefore, if the said . . . . . shall within 30 days after  
6 the close of each fiscal or calendar month, report and pay to customers  
7 the net proceeds due and payable of all collections made during said  
8 calendar or fiscal month which shall exceed \$20 in amount, and shall  
9 strictly, honestly and faithfully comply with the provisions of  
10 AS 08.24 and all amendments, regulations, and supplements now or here-  
11 after enacted, then this obligation shall be void, otherwise to remain  
12 in full force and effect.

13 This bond shall become effective on the . . . . . day of . . . . . ,  
14 19 . . . . . The surety may be relieved of future liability hereunder by  
15 giving 60 days' written notice to the principal and to the Department  
16 of Commerce of the State of Alaska.

17 This bond shall be one continuing obligation and the liability  
18 of the surety for the aggregate of any and all claims which may arise  
19 hereunder shall in no event exceed the amount of the penalty hereof.

20 IN WITNESS WHEREOF we have hereunto set our hands and seals at  
21 . . . . . , in the State of Alaska, this . . . . . day of . . . . . ,  
22 19 . . . . .

23 (SEAL) . . . . . Principal

24 (SEAL) . . . . . Surety

25 Sec. 08.24.170. RETURN OF FEES AND BOND. If the department does  
26 not issue the license applied for, the license fee and bond shall be  
27 returned. The application fee shall not be returned.

28 Sec. 08.24.180. PERSONS PRESENTLY ENGAGED IN COLLECTION BUSINESS.

29 (a) A person who is actively engaged in a collection agency business

1 at the time of the effective date of this chapter and who wishes to  
2 continue to engage in this business shall apply for a license within  
3 60 days after the effective date of this chapter.

4 (b) A person who applies or receives a license under (a) of this  
5 section is subject to all of the provisions of this chapter, except that  
6 in his application for a license he is not required to comply with  
7 sec. 120(a)(3) and (4) of this chapter.

8 Sec. 08.24.190. LICENSE AS PERSONAL PRIVILEGE. (a) Except as  
9 provided in (b) of this section, a license granted under this chapter  
10 shall be a personal privilege and shall not be assignable.

11 (b) Upon the death of a collection agency licensee, the department  
12 shall have the right to transfer the license of the decedent to the  
13 executor or administrator of his estate for the period of the unexpired  
14 term of the license and the court having jurisdiction of the probate of  
15 the estate of the decedent may authorize the executor or administrator  
16 to continue the collection agency business of the decedent and upon  
17 other terms and conditions as the court may prescribe.

18 (c) The death of the operator of a corporate licensee shall in no  
19 way interfere with the continuation of the licensed business if another  
20 licensed operator is placed in management control of the corporate  
21 licensee.

22 Sec. 08.24.200. EXPIRATION AND RENEWAL. (a) All licenses  
23 required by this chapter shall expire on June 30, 1970, and June 30 of  
24 each second year thereafter and shall be renewed as of July 1 following  
25 upon payment of required biennial fees.

26 (b) If a licensee under this chapter is delinquent for a period  
27 of 15 days in applying for the renewal of a license, the department  
28 shall suspend the license and notify the licensee by certified mail or  
29 by personal service. The notice shall state that the license will be

1 revoked if application for renewal is not made within 15 days from the  
2 date on which the notice was mailed or personally served. When a licen-  
3 see has been delinquent in renewing his license or certificate, the  
4 department shall charge an additional fee of \$50 for the renewal of the  
5 license.

6 Sec. 08.24.210. ANNUAL STATEMENT OF COLLECTION. Each collection  
7 agency licensee shall, not later than January 31 of each calendar year,  
8 file with the department a verified annual statement for the preceeding  
9 calendar year, showing the respective amounts of all customers' money  
10 collected by the licensee during the preceding calendar year, which has  
11 not previously been remitted to the customers entitled to it or properly  
12 accounted for, and showing also the amounts of money which the licensee  
13 has on deposit in a bank or in the licensee's possession for the purpose  
14 of liquidating any and all amounts due to customers. The statement shall  
15 contain the name and address of the bank. The annual statement shall be  
16 made substantially in the following form:

17 ANNUAL STATEMENT TO DEPARTMENT OF COMMERCE

18 Pursuant to AS 08.24.210 the undersigned, . . . . , duly licensed  
19 under AS 08.24 to conduct a collection agency business hereby does  
20 declare that the amount of money collected during the preceding calendar  
21 year by the undersigned, as a licensee under AS 08.24 which has not been  
22 remitted to a customer or properly accounted for is \$ . . . ; and that  
23 the amount on deposit with all banks for the purpose of liquidating all  
24 amounts to customers is \$ . . . .

25 The attached schedule contains a true statement of the name and  
26 address of each customer of the undersigned to whom there was due or  
27 owing at the end of the preceding calendar year on account of collec-  
28 tions made during the preceding calendar year the aggregate sum of \$20  
29 or more.

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IN WITNESS WHEREOF, the undersigned has executed this statement  
on this . . . . day of . . . . . , 19 . .  
(name of licensee) . . . . .  
(signature) . . . . .  
(capacity) . . . . .

VERIFICATION

STATE OF ALASKA )  
                  ) ss  
THIRD DISTRICT )

I, the undersigned, being first duly sworn, do on oath depose and  
say: That I executed the within annual statement as the licensee  
therein named or on behalf of the licensee therein named as the  
operator, director, or officer of the licensee therein named, as  
indicated therein; that I have read the statement and know the contents  
thereof; and that the statement is true.

. . . . .  
Subscribed and sworn to before me this . . . . day of . . . . ,  
19 . .

Notary Public in and for Alaska  
My commission expires:

Sec. 08.24.220. SEMIANNUAL STATEMENT OF EMPLOYEES. (a) Every  
collection agency licensee shall file with the department on June 1 and  
December 1 of every year a list of the names and residence addresses of  
each person employed by the licensee in the six-month period ending  
10 days before the due date of the report.

(b) If any of these employees have used pseudonyms or false names  
in their collection business efforts for the reporting period, those  
pseudonyms or false names must be set out following the true name of  
the employee using the name.

Sec. 08.24.230. FALSE DECLARATIONS IN STATEMENT. The wilful

1 making of a false declaration in the annual statement or biennial state-  
2 ment of employees shall constitute sufficient grounds for revocation of  
3 the license of the licensee.

4 Sec. 08.24.240. FAILURE TO FILE STATEMENT. If the annual state-  
5 ment of collection or semiannual statement of employees is not filed as  
6 required under secs. 210 and 220 of this chapter, the failure to file  
7 constitutes grounds for the immediate suspension of the collection agency  
8 license of the licensee failing to file the statement and the department  
9 shall notify the licensee by registered or certified mail that the lic-  
10 ense of the licensee will be suspended upon the expiration of 15 days  
11 after the date on which the notice was mailed unless the licensee com-  
12 plies with the provisions of secs. 210 or 220 of this chapter. However,  
13 for good cause shown and upon satisfactory proof furnished by the licen-  
14 see that the failure to file the statement was due to a condition not  
15 within the control, or was due to excusable neglect, of the licensee,  
16 the department may permit the filing of the statement after the time  
17 limited and excuse the failure to file the statement within the time  
18 limited. If the statement required by secs. 210 or 220 of this chapter  
19 is not filed as required in this section the department shall revoke the  
20 license.

21 Sec. 08.24.250. INFORMATION CONFIDENTIAL. Except as otherwise  
22 provided in this chapter, information in whatever form required to be  
23 filed by the terms of secs. 210 and 220 of this chapter shall be confi-  
24 dential and may not become a public record, but it may be introduced in  
25 evidence in a suit, action or proceeding in a court or in a proceeding  
26 involving the granting or revocation of the license of a licensee.

27 Sec. 08.24.260. INVESTIGATIONS. The department may upon its own  
28 motion, and shall, upon the sworn complaint in writing of a customer of  
29 a collection agency, investigate the actions of a licensee claimed to

1 have violated this chapter and for that purpose shall have free access  
2 to the offices and places of business and, if the complaint involves  
3 customer accounts, to all pertinent books, accounts, records, papers,  
4 files, safes and vaults of the licensee or certificate holder. If the  
5 complaint involves the owing of money, or any other thing of value, by  
6 a licensee to the complainant, when the licensee raises the issue of an  
7 offset or counterclaim, the division may require the complainant to  
8 submit all records and data in his possession pertaining to the offset  
9 or counterclaim.

10 Sec. 08.24.270. ADMINISTRATIVE PROCEDURE ACT. The department and  
11 the board shall comply with the Administrative Procedure Act both as to  
12 enactment of regulations and adjudication.

13 Sec. 08.24.280. RECORDS AND FUNDS. (a) A collection agency shall  
14 keep a record of all sums collected by it, and of all disbursements made  
15 by it, and shall maintain and keep all the records and all customers'  
16 funds in a trust account with a recognized financial institution in  
17 this state. Collection agencies shall maintain accounting records of  
18 collections for and payments to customers for a period of six years  
19 from the date of the last entry. Collection agencies shall keep other  
20 records for a period of two years from the date of the last entry.

21 (b) Every collection agency shall maintain a permanent numerical  
22 receipt book which shall indicate as to each payment made by a debtor  
23 the following information:

- 24 (1) the name of the debtor making payment;  
25 (2) the amount paid;  
26 (3) the name of the creditor to whom funds are being applied;  
27 (4) the date and form of payment;  
28 (5) the balance remaining due on account.

29 (c) The receipt shall be made immediately upon the receipt of

1 funds by the collection agency in payment of a debt; the original copy  
2 to be made immediately available to the debtor who has made payment,  
3 upon request; and a copy to be made immediately available to the  
4 creditor for whom payment was received, upon request; and a copy to be  
5 maintained in the permanent receipt book.

6 (d) A collection agency shall maintain daily cash ledger sheets  
7 showing all funds received from debtors and all funds received as fees  
8 for services, such as credit reports and the like.

9 (e) No collection agency, or an employee of a collection agency,  
10 may intentionally make a false entry in the collection agency record  
11 or intentionally mutilate, destroy or otherwise dispose of a record  
12 within the time limits provided in this section. The records shall at  
13 all reasonable times be open for inspection by the department, the board  
14 or their authorized agent.

15 (f) No licensee may co-mingle the money of collection agency  
16 customers with other money, but shall maintain a separate trust account  
17 for customers' funds and shall keep the funds in a trust account until  
18 disbursed to the customer.

19 Sec. 08.24.290. SUSPENSION, REVOCATION OR REFUSAL TO RENEW OR  
20 GRANT A LICENSE OR CERTIFICATE. The department may suspend, revoke or  
21 refuse to renew or grant a license issued or applied for under this  
22 chapter if the licensee or applicant or a partner, associate, or major  
23 stockholder of a collection agency has since the date of the applica-  
24 tion been disbarred from the practice of law or been convicted of fraud,  
25 embezzlement, obtaining money under false pretenses, a crime involving  
26 moral turpitude, extortion, conspiracy to defraud, violation of a pro-  
27 vision of this chapter or violating a rule or regulation promulgated  
28 under authority of this chapter.

29 Sec. 08.24.300. LICENSE AND BOND. No collection agency is

1 entitled to maintain a suit or action involving the collection of money  
2 on behalf of its customers in a court of this state without alleging  
3 and proving that it is licensed and has procured a bond, as provided  
4 in this chapter. A copy of the collection agency license, certified  
5 by the department to be a true and correct copy is prima facie evidence  
6 of the licensing and bonding of the collection agency for the term  
7 expressed in the copy of the license.

8 Sec. 08.24.310. ADDITIONAL BUSINESS NAMES. A collection agency  
9 using a business name other than the one appearing on the application  
10 for its license shall secure a separate license and bond as provided  
11 in this chapter for each business name used.

12 Sec. 08.24.320. DOCUMENTS WHICH IMITATE JUDICIAL PROCESS. Forms  
13 of demand or notice or other documents drawn to resemble court process  
14 may not be used by collection agencies in the collection of bills,  
15 accounts or other indebtedness.

16 Sec. 08.24.330. DUTY TO MAINTAIN A PUBLIC OFFICE. Each collec-  
17 tion agency shall maintain its principal office and any branch office  
18 at a street address which is stated in its original application for  
19 license or another address which the agency may designate to the depart-  
20 ment; the office shall be maintained in such a manner as to be open for  
21 contact by the public or debtors during normal working hours.

22 Sec. 08.24.340. STATEMENT OF PERSONS EMPLOYED BY AGENCY. (a)  
23 Within 15 days after licensure under this chapter, a collection agency  
24 shall submit to the department a list of all persons employed by the  
25 agency. Thereafter, upon hiring a new employee, the collection agency  
26 shall, within 15 days after the hiring, submit to the department the  
27 name of the newly hired employee and the further information required  
28 by (b) of this section.

29 (b) There shall be submitted with the name of the employee

1 employed by the collection agency the following information:

- 2 (1) the employee's residence address;  
3 (2) the employee's length of residence in the state;  
4 (3) a statement of his previous employment in the last year;  
5 (4) further information which the board or department may

6 require.

7 (c) The statement shall be verified by the employee before a  
8 notary public or other person authorized to administer oaths.

9 (d) The owner or licensed operator of the collection agency shall  
10 also state upon the form submitted the date upon which the new employee  
11 was hired and that he is an employee of the collection agency at the  
12 time the form is executed.

13 Sec. 08.24.350. NOTICE OF WITHDRAWAL OF EMPLOYEES. When an  
14 employee withdraws from employment or his employment with a collection  
15 agency is terminated for any reason, the agency shall, within 15 days  
16 of withdrawal or termination of employment, notify the department in  
17 writing of the employee's withdrawal from employment.

18 Sec. 08.24.360. FINES AND PENALTIES. A collection agency or an  
19 operator who fails on written demand to render a true and complete  
20 account to the person from whom an indebtedness was taken for collection  
21 or who fails to turn over to that person the proceeds of the collection  
22 within 30 days after written demand, or who fails to comply with any of  
23 the provisions of this chapter is punishable by a fine of not more than  
24 \$500, or by imprisonment for not more than three months, or by both.

25 Sec. 08.24.370. NONRESIDENTS. A nonresident may apply for and  
26 receive a collection agency license or an operator license or both on  
27 the same basis as a resident. The application fee for a nonresident  
28 operator license is \$100, and the biennial license fee is \$200. The  
29 application fee for a nonresident agency license is \$200, and the

1 biennial license fee is \$400 for the principal place of business and  
2 \$400 for each branch office.

3 Sec. 08.24.380. DEFINITIONS. In this chapter

4 (1) "board" means the Collection Agency Board;

5 (2) "department" means the Department of Commerce;

6 (3) "collection agency business" means the business of  
7 engaging directly or indirectly and as a primary or secondary object,  
8 business or pursuit in the solicitation of claims for collection or  
9 repossession of collateral security or in the collection of claims owed  
10 or due or asserted to be owed or due to another or in the repossession  
11 of collateral security;

12 (A) a house, agency, firm, person, corporation or  
13 voluntary association using a name other than its own in collecting  
14 its own claims with the intention of conveying, or which tends to  
15 convey, the impression that a third party has been employed, is  
16 conducting a collection agency business within the meaning of  
17 this chapter;

18 (B) a person who sells, attempts to sell, gives away  
19 or attempts to give away to another person, other than a licensee  
20 under this chapter a system of collection letters, demand forms  
21 or other printed matter where the name of a person other than a  
22 creditor appears in a manner to indicate that a request or demand  
23 is being made by another person, other than the creditor, for the  
24 payment of a sum due, or asserted to be due, or who solicits or  
25 accepts accounts for collection on a contingent or percentage  
26 basis or by a fee or outright purchase for collection purposes,  
27 is considered to be in the collection agency business within the  
28 meaning of this chapter;

29 (4) "collection agency" means a person licensed and authorized

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to engage in the collection agency business;

(5) "operator" means a person having managerial control of a collection agency.

\* Sec. 2. AS 08.01.010 is amended by adding a new subsection to read:

(15) Collection Agency Board.

\* Sec. 3. AS 08.24 is repealed.

\* Sec. 4. This Act takes effect May 1, 1968.