

MAINE STATE LEGISLATURE

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Legislative Document

No. 1476

H.P. 1038

House of Representatives, March 19, 2007

An Act Relating to Bad Check Enforcement Programs Operated by Private Entities

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Insurance and Financial Services suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative PERRY of Calais.
Cosponsored by Senator PERRY of Penobscot and
Representatives: RECTOR of Thomaston, SMITH of Monmouth.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 32 MRSA §11002, sub-§5**, as amended by PL 2003, c. 562, §2, is further
3 amended to read:

4 **5. Debt.** "Debt" means any obligation or alleged obligation of a consumer to pay
5 money arising out of a transaction in which the money, property, insurance or services
6 that are the subject of the transaction are primarily for personal, family or household
7 purposes, whether or not the obligation has been reduced to judgment. "Debt" includes
8 any obligation or alleged obligation for payment of child support owed to, or owed by, a
9 resident of this State and any obligation or alleged obligation relating to a check returned
10 because of insufficient funds if a consumer is subject to an enforcement program operated
11 by a private entity.

12 **SUMMARY**

13 This bill applies the Maine Fair Debt Collection Practices Act to private companies
14 that operate check diversion programs for district attorneys, requiring that such
15 companies be licensed and bonded and that their initial communications to consumers
16 notify consumers of their right to dispute the validity of the alleged debts.