

MAINE STATE LEGISLATURE

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EIGHTY-FIFTH LEGISLATURE

Legislative Document

No. 467

S. P. 393

In Senate, Feb. 11, 1931.

Referred to Committee on Judiciary and 500 copies ordered printed. Sent down for concurrence.

ROYDEN V. BROWN, Secretary.

Presented by Senator Spear of Cumberland.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND THIRTY-ONE

AN ACT Relating to the Requirement of Bonds of Collection
Agencies.

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

Section 1. No person, partnership, association or corporation, not being an attorney at law duly authorized to practice in the state, a national bank or a bank or trust company incorporated in the state shall conduct a collection agency, collection bureau or collection office, or engage in the state in the business of collecting or receiving payment for others of any account, bill or other indebtedness, or engage in the state in soliciting the right to collect or receive payment for another of any account, bill or other indebtedness, or advertise for or solicit in print the right to collect or receive payment for another of any account, bill or other indebtedness, unless such person, partnership, association or corporation or the person, partnership, association or corporation for whom he or it may be acting as agent has on file with the state treasurer a good and sufficient bond.

Sec. 2. Said bond shall run to the state treasurer and shall cover an indeterminate period but it may be cancelled at any time as provided in section three. It shall be in the sum of five thousand dollars and shall provide that the person, partnership, association or corporation, giving the same shall,

upon written demand, pay and turn over to or for the person, partnership, association or corporation, from whom any account, bill or other indebtedness is taken for collection the proceeds of such collection in accordance with the terms of the agreement upon which it was received for collection. Said bond shall be in such form and shall contain such further provisions and conditions as the state treasurer with the advice and consent of the governor and council deems necessary or proper.

Sec. 3. Said bond shall be executed by said person, partnership, association or corporation as principal, with a surety company as surety; or cash may be accepted in lieu of a surety company. The bond shall not be accepted unless it is approved by the state treasurer after having been examined and approved by the commissioner of banks. Upon its approval by the treasurer, it shall be filed in his office. Said bond may be cancelled at any time by the principal, by the surety company or by the state treasurer upon written notice by registered mail given by the principal, the surety company or the state treasurer to each of the others, said notice to state the effective date of the cancellation which shall not be sooner than thirty days from the date of the mailing of such notice, or by either of the parties thereto with the consent of the other and the approval of the state treasurer without prejudice, in any event, however, to any valid claim arising under such bond prior to the effective date of such cancellation.

Sec. 4. The state treasurer shall keep a record open to public inspection of the bonds filed with him under the preceding section, with the names, places of residence and places of business of the principals and sureties.

Sec. 5. Any person doing any business for which a bond is required by section one or any member of a partnership or officer of an association or corporation doing such business, who fails on written demand to render a true and complete account to the person, partnership, association or corporation from whom any account, bill or indebtedness was taken for collection or to turn over to or for such person, partnership, association or corporation the proceeds of such collection within thirty days after such written demand, or who fails to comply with any provision of sections one to four, inclusive,

shall be punished by a fine of not more than five hundred dollars or by imprisonment for not more than three months, or both.