



General Assembly

February Session, 2008

**Raised Bill No. 426**

LCO No. 1976

\*01976\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:  
(BA)

**AN ACT CONCERNING COLLECTION AGENCIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 36a-802 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2008*):

4 (a) No such license and no renewal thereof shall be granted unless  
5 the applicant has filed with the commissioner a bond to the people of  
6 the state in the penal sum of [five] fifty thousand dollars, approved by  
7 the Attorney General as to form and by the commissioner as to  
8 sufficiency of the security thereof. Such bond shall be conditioned that  
9 such licensee shall well, truly and faithfully account for all funds  
10 entrusted to the licensee and collected and received by the licensee in  
11 the licensee's capacity as a consumer collection agency. Any person  
12 who may be damaged by the wrongful conversion of any creditor,  
13 consumer debtor or property tax debtor funds received by such  
14 consumer collection agency may proceed on such bond against the  
15 principal or surety thereon, or both, to recover damages. The  
16 commissioner may proceed on such bond against the principal or  
17 surety thereon, or both, to collect any civil penalty imposed upon the

18 licensee pursuant to subsection (a) of section 36a-50. The proceeds of  
19 the bond, even if commingled with other assets of the licensee, shall be  
20 deemed by operation of law to be held in trust for the benefit of such  
21 claimants against the licensee in the event of bankruptcy of the licensee  
22 and shall be immune from attachment by creditors and judgment  
23 creditors. The bond shall run concurrently with the period of the  
24 license granted to the applicant, and the aggregate liability under the  
25 bond shall not exceed the penal sum of the bond.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2008	36a-802(a)

**Statement of Purpose:**

To increase surety bond requirements for consumer collection agencies.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*