

TESTIMONY IN OPPOSITION
SB 2244
House Political Subdivisions

Chairman Dockter and members of the Political Subdivisions Committee, I am Kim Granfor, a registered lobbyist for the ND Collectors Association, in addition I am the Vice-President/COO of Hospital Services, Inc., a ND collection agency which is the wholly owned subsidiary of the North Dakota Hospital Association.

We appreciate law enforcement in everything they do. We understand that there has not been an increase in providing civil process fees for many years and we are not objecting to an increase. However, because there wasn't a fiscal note attached to this bill, we are unable to see the justification for a 250% increase.

Unfortunately, there are many debtors that do not pay voluntarily, and litigation becomes necessary to compel them to pay. If this bill passes with a 250% increase it could have the following impact:

- This proposed increase will cause the collection agency to raise their minimum dollar amount owed before litigation is commenced. This will cause the smaller balances to not be collected on behalf of the businesses that we represent.
 - The fee is collectible from the defendant (debtor) but we are not successful in recovering this from the defendant every time.
 - Collection Agencies collect for businesses in your communities that have the right to receive payment for the goods or services provided. This increase will cause a reduction in the recovery of their bad debt receivable.
- Although our industry does not have access to small claims court, this increase will impact citizens who are bringing small claims court actions. They too will be paying this large increase for service of summons and complaints.

The bottom line of SB 2244 is that a 250% increase is simply excessive.

I urge you to vote no on SB2240 or consider the amendment that has been brought by the ND Collectors Association which is a more reasonable increase.

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