

TESTIMONY IN OPPOSITION OF SENATE BILL NO. 2244

March 9, 2021

To: Representative Jason Dockter, Chairman of the House of Political Subdivisions

From: Craig Enderle, Legislative Chair, North Dakota Collectors Association

Dear Chairman, Dockter, and members of the House Political Subdivisions

My name is Craig Enderle, and I am the Legislative Chair for the North Dakota Collectors Association (NDCA). Our membership is comprised of 13 North Dakota based collection agencies that provide debt collection services to every industry within the State.

I am here today to express our opposition to SB 2244. Our association conducted a study to investigate the fiscal impact of this amendment and how it could impact all ND creditors and consumers. Here is what we found:

- In 2020, there were a total 27,776 civil filings within the State of North Dakota. That number does not represent the total number of summons and complaints issued – which we believe represents 45,000 cases. In addition, the service of a summons and complaint is often charged double if there is a co-defendant in the case. This means the cost would go up to \$100.00 per service, plus mileage. A conservative estimate of the proposed amendment under section 11-15-07 would increase the cost by \$1,575,000.00 annually.
- According to a study by Kaulkin Ginsberg on behalf of ACA international, collection agencies reported a total of \$219,938,145.00 in gross collections in 2020. The proposed increase will negatively impact our ability to collect these dollars. Such reductions would come in the form of increased cost of obtaining services and credit to all North Dakotans.
- The proposed increase will burden small claims plaintiffs who in 2020, brought a total of 3748 small claims cases in North Dakota.
- This bill may decrease the demand for Counties and increase the demand for National private processing firms for service.
- There has been no fiscal study conducted in North Dakota to support any increase or measure the negative impacts to the proposed increases under section 11-15-07 or 11-15-08.
- Our association does not agree that North Dakota should structure our fees based on what surrounding States are charging. In other testimony, there was information

provided to warrant such increases. What is missing is any budgetary data to indicate the need for any increase at all. Other examples did not include States such as Montana, which does not charge a commission as highlighted under section 11-15-08.

Our members support and work with each of the County Sheriff's on a daily basis. We believe they provide the best possible service to all North Dakota communities. For this reason, our association would like to support a possible amendment as follows:

Under section 11-15-07, increase the civil process s fee from \$20.00 to \$30.00. A total increase of \$10.00 per service.

Under section 11-15-07, increase the execution fee from \$40.00 to \$50.00. A total increase of \$10.00.

Under section 11-15-08, amend the increase from 1 percent to 1.5 percent. A total increase of .05 percent.

Sincerely,

Craig Enderle