

**Department of State
Division of Publications**

312 Rosa L. Parks Avenue, 8th Floor Snodgrass/TN Tower
Nashville, TN 37243
Phone: 615-741-2650
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For Department of State Use Only

Sequence Number: 10-18-16
Rule ID(s): 6341
File Date: 10/26/16
Effective Date: 1/24/17

Proposed Rule(s) Filing Form

Proposed rules are submitted pursuant to Tenn. Code Ann. §§ 4-5-202, 4-5-207, and 4-5-229 in lieu of a rulemaking hearing. It is the intent of the Agency to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within ninety (90) days of the filing of the proposed rule with the Secretary of State. To be effective, the petition must be filed with the Agency and be signed by ten (10) persons who will be affected by the amendments, or submitted by a municipality which will be affected by the amendments, or an association of ten (10) or more members, or any standing committee of the General Assembly. The agency shall forward such petition to the Secretary of State.

Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).

Agency/Board/Commission:	Tennessee Collection Service Board
Division:	Department of Commerce and Insurance, Regulatory Boards
Contact Person:	Sarah M. Mathews
Address:	500 James Robertson Parkway, Nashville, Tennessee
Zip:	37243
Phone:	(615) 532-6303
Email:	Sarah.Mathews@tn.gov

Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please make sure that **ALL** new rule and repealed rule numbers are listed in the chart below. Please enter only **ONE** Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0320-01	Licensing
Rule Number	Rule Title
0320-01-.04	Change of Ownership

Chapter 0320-01
Licensing

Table of Contents

0320-01-.01	Qualification of Applicants	0320-01-.03	Fees
0320-01-.02	Examinations	0320-01-.04	Change of Ownership

New Rules

Rule 0320-01-.04 Change of Ownership.

As referenced in T.C.A. §§ 62-20-108 and 62-20-113, "change in ownership" means:

- (1) In a sole proprietorship or partnership, any change in the person(s) having an ownership interest in the collection service business;
- (2) In a corporation or limited liability company (LLC), an aggregate change of fifty (50) percent or more of the shares, ownership or other member interest, respectively.

Authority: T.C.A. §§ 62-20-104(g), 62-20-108 and 62-20-113.

Rules of Collection Service Board
 Chapter 0320-01 Licensing
 Rule 0320-01-.04 Change of Ownership

* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Bart Howard	X				
Steven Harb	X				
Chip Hellmann	X				
Angela Hoover	X				
Elizabeth Trinkler	X				

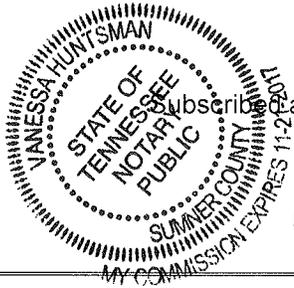
I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the Tennessee Collection Service Board on 07/13/2016, and is in compliance with the provisions of T.C.A. § 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of ninety (90) days of the filing of the proposed rule with the Secretary of State.

Date: October 5, 2016

Signature: Sarah M. Mathews

Name of Officer: Sarah M. Mathews

Title of Officer: Assistant General Counsel



Subscribed and sworn to before me on: October 5, 2016

Notary Public Signature: Vanessa Huntsman

My commission expires on: November 21, 2017

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

Herbert H. Slattery III
 Herbert H. Slattery III
 Attorney General and Reporter

10/19/2016
 Date

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Filed with the Department of State on: 10/26/16

Effective on: 11/24/17

Tre Hargett
 Tre Hargett
 Secretary of State

Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process, all agencies shall conduct a review of whether a proposed rule or rule affects small business.

1. The type or types of small business and an identification and estimate of the number of small businesses subject to the proposed rule that would bear the cost of, or directly benefit from the proposed rule:

The new rule would not directly affect any small businesses that are currently licensed because it would not change any of the existing requirements. In contrast, the new rule will benefit any businesses that undergo a change in ownership of less than fifty (50) percent of the stock or ownership interest.

2. The projected reporting, recordkeeping and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record:

There are no projected administrative costs as a result of this amendment.

3. A statement of the probable effect on impacted small businesses and consumers:

The effect will be a faster and less costly process for entities with ownership changes of less than fifty (50) percent of the stock or ownership interest.

4. A description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and objectives of the proposed rule that may exist, and to what extent the alternative means might be less burdensome to small business:

The Commission knows of no other alternative method to achieve the goals exhibited by these rules.

5. A comparison of the proposed rule with any federal or state counterparts:

There are no known federal or state counterparts to the amended rule.

6. Analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the proposed rule:

An exemption for small businesses would not be beneficial.

Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 “any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments.” (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The Tennessee Collection Service Board foresees no financial impact on any local governments.

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A)** A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The current Tennessee Collection Service Board ("Board") statutes require an entity to (1) notify the Board in writing of any change in ownership and (2) reapply for licensure upon any change in ownership. The proposed new rule will require only entities with a change in ownership of fifty (50) percent or more of the stock or ownership interest to notify the Board and reapply for licensure.

- (B)** A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

There is no known federal or state law mandating promulgation of this rule.

- (C)** Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

The proposed new rule to the Board rules will affect organizations, corporations, or other entities currently licensed with the Board that go through a change in ownership. Specifically, entities that undergo only a minor ownership change will no longer be required to notify the Board or reapply for licensure.

- (D)** Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule or the necessity to promulgate the rule;

There are no known opinions of the Attorney General and Reporter or any judicial ruling that directly relates to this rule.

- (E)** An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

There is an estimated minimal fiscal impact for the promulgation of these rules. The minimal decrease will be a result of entities no longer having to reapply for licensure and therefore a decrease in application fees.

- (F)** Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Sarah M. Mathews, Assistant General Counsel for the Collection Service Board

- (G)** Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Sarah M. Mathews, Assistant General Counsel for the Collection Service Board

- (H)** Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

500 James Robertson Parkway, Nashville, TN 37243; Phone: (615) 532-6303; Email: Sarah.Mathews@tn.gov

Rules of Collection Service Board
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(l) Any additional information relevant to the rule proposed for continuation that the committee requests.

There is no known additional relevant information.

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**Redline – 2016 Proposed Rules
Tennessee Collection Service Board**

Chapter 0320-01
Licensing

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