

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 4382

By Delegates Burkhammer and Heckert

[Introduced January 15, 2026; referred to the
Committee on the Judiciary]

1 A BILL to amend and reenact §47-16-4 of the Code of West Virginia, 1931, as amended, relating to
2 requiring collection agencies to notify debtors of wage garnishments 30 days prior to that
3 action by certified mail; and to send monthly statements showing balance owed.

Be it enacted by the Legislature of West Virginia:

ARTICLE 16. COLLECTION AGENCIES.

§47-16-4. Requirements for conduct of agency.

1 (a) *License.* -- No person, firm, corporation or association ~~shall~~ may conduct within this
2 state a collection agency without having first applied for and obtained a business franchise
3 registration certificate pursuant to §11-12-2 of this code, nor ~~shall~~ may any person, firm,
4 corporation or association establish or operate a collection agency or the business of a collection
5 agency, unless such person, firm, corporation or association maintains an office within the State of
6 West Virginia. The business franchise registration certificate shall be deemed the collection
7 agency's license. A license is required for each collection agency, including each principal office
8 and all branch offices thereof.

9 (b) *Bond.* -- Each applicant shall file with the commissioner a continuing surety bond
10 executed by a corporation which is licensed to transact the business of fidelity and surety
11 insurance in the State of West Virginia to run concurrently with the registration tax period, which
12 bond ~~must~~ shall be filed with, and approved by, said commissioner before the license herein
13 provided may be issued. A separate bond shall be filed for each collection agency including each
14 principal office and all branch offices thereof. Each bond shall be in the amount of \$5,000 payable
15 to the State of West Virginia, and conditioned that any such person will pay all damages to the
16 state or a private person resulting from any unlawful act or action by ~~such~~ that person or his or her
17 or its agent in connection with the conduct of the business of the collection agency. This continuing
18 bond shall be filed with the Tax Commissioner.

19 An action may be brought in any court of competent jurisdiction upon the bond by any
20 person to whom the licensee fails to account and pay as set forth in ~~such~~ that bond. The aggregate

liability of the surety for all breaches of the condition of the bond ~~shall~~ may not exceed the sum of ~~such~~ the bond.

Upon entering judgment for the prevailing party in any action on the bond required by this article, the court shall include in the judgment, reasonable compensation for the services of ~~such~~ the party's attorney in the action.

The license of any licensee shall be void upon termination of the bond of the surety company, unless, prior to ~~such~~ termination, a new bond has been filed with the commissioner.

~~Should~~ If the license of any surety company to transact business in this state ~~be~~ is terminated, all bonds given pursuant to this article upon which ~~such~~ the company is surety shall thereupon be suspended, and the commissioner shall immediately notify each affected licensee of ~~such~~ the suspension and require that a new bond be filed. This notice shall be by registered or certified mail, return receipt requested, and shall be addressed to the licensee at his or her or its principal place of business as shown by the commissioner's records. The failure of any licensee to file a bond with new or additional surety within 30 days after being advised in writing by the commissioner of the necessity to do so shall be cause for the commissioner to revoke the license.

(c) *Record Keeping.* -- Each collection agency licensed to operate in this state shall keep a record of all sums collected by ~~such~~ the agency and of all disbursements made by ~~such~~ the agency, and shall maintain or make available all ~~such~~ records and all records as to customers' funds at ~~such~~ the agency's principal place of business within this state. Each collection agency shall maintain records of collections for and payments to customers for a period of six years from the date of last entry therein.

No collection agency, nor any employee thereof, ~~shall~~ may intentionally make a false entry in any ~~such~~ collection agency record nor intentionally mutilate, destroy or otherwise dispose of any ~~such~~ record within the time limits provided in this section. ~~Such~~ The records shall at all times be open for inspection by the commissioner, or his or her duly appointed representative.

No licensee ~~shall~~ may commingle the money of collection agency customers with other

47 moneys, but shall maintain a separate trust account in a bank for customers' funds.

48 Each collection agency shall, within a period of 30 days after the close of each and every
49 calendar month, pay to ~~such~~ the agency's customers the net proceeds due on all collections made
50 during the preceding calendar month. When the net proceeds due the customer are less than \$5 at
51 the end of any calendar month, the collection agency may defer for a period not to exceed ninety
52 days the payment of said proceeds, if monthly statements are mailed or delivered to the customer.

53 (d) Collection agencies may not cause a garnishment of wages to be executed for an
54 unpaid debt, unless the collection agency notifies the debtor of that action by certified mail 30 days
55 prior to execution of garnishment of wages. The collection agency shall send the debtor by
56 certified mail a monthly statement indicating the amount collected by garnishment of wages and
57 the balance of the debt owed.

NOTE: The purpose of this bill is to require collection agencies to notify debtors of wage garnishments 30 days prior to that action by certified mail.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.