Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 546 (Grayson) – As Amended June 11, 2026

Policy Committee: Banking and Finance Vote: 8 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill exempts certain billing agents who prepare and deliver residential or commercial tenancy billing statements from the Debt Collection Licensing Act (DCLA).

Specifically, this bill:

1) Exempts from the DCLA a billing agent who calculates, allocates, and delivers consolidated statements for rent, utility services, ancillary property services, amenities, or contractually authorized administrative billing fees arising from a residential or commercial tenancy, provided that the agent does not purchase, take assignment of, or independently enforce the underlying obligation.

2) Provides that a billing agent is not exempt from the DCLA if the agent engages in certain behaviors, such as initiating phone calls or text messages to demand payment of a debt, threatening to take legal action related to a debt, or representing that nonpayment of a billed amount may result in eviction.

FISCAL EFFECT:

Minor and absorbable costs to the Department of Financial Protection and Innovation (DFPI), which oversees debt collectors and debt buyers under the DCLA and the California Consumer Financial Protection Law. A billing agent, as described by this bill, is not generally licensed as a debt collector.

COMMENTS:

1) **Purpose.** According to the author:

> SB 546 clarifies existing law to ensure that third party billing administrators are not "debt collectors" under [the DCLA] when they are engaged solely in administrative billing services for utility and related property charges. Third-party billing administrators facilitate calculation, allocation, and transmission of lawful and required charges to tenants and residents on behalf of property owners. They are only billing administrators and do not engage in any debt collection activity. Their role is similar to bookkeeping, accounting, or billing administration – not debt collection.

This bill is sponsored by Conservice, a utility management company that partners with rental housing providers to administer billing programs, and supported by the California Apartment Association.

2) **Background.** ***Consumer Debt.*** Consumer debt generally refers to money an individual owes based on a credit transaction for the purposes of personal, family, or household use. Under the Rosenthal Fair Debt Collection Practices Act (Rosenthal Act), a "consumer credit transaction" does not refer to a payment method, but indicates obtaining something of value without immediate payment on the promise to make a payment or payments in the future. Thus, rental payments, which are made at the beginning of the term of occupancy, are not considered paid on credit under the Rosenthal Act, but utilities, which are paid for after usage, are considered paid on credit and subject to the act's protections.

   Rosenthal Act and DCLA. The Rosenthal Act places limits on the types of activities that a creditor and debt collector may utilize when collecting payments from consumers, and prohibits deceptive, harassing, humiliating, threatening, and other unreasonable debt collection practices.

   SB 908 (Wieckowski), Chapter 163, Statutes of 2020, enacted the DCLA to provide, beginning January 1, 2022, licensure, regulation, and oversight of debt collectors by DFPI. The DCLA prohibits a person from engaging in the business of debt collection without a license, but includes exemptions for depository institutions, DFPI-licensed finance lenders and brokers, DFPI-licensed mortgage lenders and servicers, Department of Real Estate licensed agents, persons subject to the Karnette Rental-Purchase Act, a trustee for a non-judicial foreclosure, and debt collections regulated under the Student Loan Servicing Act.

   This bill adds a billing agent who prepares and delivers residential or commercial tenancy billing statements, but does not purchase, take assignment of, or enforce the underlying obligation, to this list of exemptions. This bill also provides the exemption does not apply if the billing agent engages in any of eight activities commonly associated with debt collection prohibited under Rosenthal Act. As noted in the Assembly Banking and Finance Committee's analysis of this bill, "The legal effect of this bill is the exemption from licensing requirements with the DFPI." The analysis further notes:

   > This bill does not absolve any responsibilities by any actors that may be subject to the [Rosenthal Act] regardless of DCLA scope…the code sections are independent. This allows consumers who may be harmed by an exempted billing agent to pursue [a Rosenthal Act] claim in a civil action."

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