

HOUSE BILL 704

11, I3

4lr0949
CF SB 160

By: **Delegates Vaughn, Howard, Mitchell, Swain, F. Turner, and
Valentino-Smith**

Introduced and read first time: January 31, 2014

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 26, 2014

CHAPTER _____

1 AN ACT concerning

2 **Commercial Law – Debt Settlement Services – Sunset and Reporting**
3 **Extension**

4 FOR the purpose of extending to a certain date a certain reporting requirement of a
5 registered debt settlement services provider; extending the deadline for certain
6 reporting requirements of the Office of the Commissioner of Financial
7 Regulation in the Department of Labor, Licensing, and Regulation and the
8 Consumer Protection Division in the Office of the Attorney General; extending
9 the termination date for the Maryland Debt Settlement Services Act; extending
10 the expiration of certain registrations or renewal of registrations for a debt
11 settlement services provider; and generally relating to debt settlement services
12 and debt settlement services providers.

13 BY repealing and reenacting, with amendments,
14 Chapter 280 of the Acts of the General Assembly of 2011
15 Section 2(a), 3, and 4

16 BY repealing and reenacting, with amendments,
17 Chapter 281 of the Acts of the General Assembly of 2011
18 Section 2(a), 3, and 4

19 BY repealing and reenacting, with amendments,
20 Article – Financial Institutions
21 Section 12–1009

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland
2 (2011 Replacement Volume and 2013 Supplement)

3 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
4 MARYLAND, That the Laws of Maryland read as follows:

5 **Chapter 280 of the Acts of 2011**

6 SECTION 2. AND BE IT FURTHER ENACTED, That:

7 (a) On or before March 15 of each year beginning with March 15, 2012, and
8 ending with March 15, [2014] **2015**, each debt settlement services provider that is
9 registered with the Commissioner of Financial Regulation, as required under Section 1
10 of this Act, shall report to the Commissioner on the debt settlement services business
11 the registrant conducted during the preceding calendar year.

12 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1,
13 [2014] **2015**, the Office of the Commissioner of Financial Regulation in the
14 Department of Labor, Licensing, and Regulation, in consultation with the Consumer
15 Protection Division of the Office of the Attorney General, shall report, in accordance
16 with § 2-1246 of the State Government Article, to the Senate Finance Committee and
17 the House Economic Matters Committee on its recommendations regarding changes to
18 the Maryland Debt Settlement Services Act, including:

19 (1) whether to transition from a registration requirement to a
20 licensure requirement for debt settlement services providers; and

21 (2) whether a cap on debt settlement services fees would be beneficial
22 to consumers and fair to the debt settlement services industry.

23 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 October 1, 2011. It shall remain effective for a period of [3] 4 years and 9 months and,
25 at the end of June 30, [2015] **2016**, with no further action required by the General
26 Assembly, this Act shall be abrogated and of no further force and effect.

27 **Chapter 281 of the Acts of 2011**

28 SECTION 2. AND BE IT FURTHER ENACTED, That:

29 (a) On or before March 15 of each year beginning with March 15, 2012, and
30 ending with March 15, [2014] **2015**, each debt settlement services provider that is
31 registered with the Commissioner of Financial Regulation, as required under Section 1
32 of this Act, shall report to the Commissioner on the debt settlement services business
33 the registrant conducted during the preceding calendar year.

1 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before December 1,
2 [2014] **2015**, the Office of the Commissioner of Financial Regulation in the
3 Department of Labor, Licensing, and Regulation, in consultation with the Consumer
4 Protection Division of the Office of the Attorney General, shall report, in accordance
5 with § 2-1246 of the State Government Article, to the Senate Finance Committee and
6 the House Economic Matters Committee on its recommendations regarding changes to
7 the Maryland Debt Settlement Services Act, including:

8 (1) whether to transition from a registration requirement to a
9 licensure requirement for debt settlement services providers; and

10 (2) whether a cap on debt settlement services fees would be beneficial
11 to consumers and fair to the debt settlement services industry.

12 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2011. It shall remain effective for a period of [3] 4 years and 9 months and,
14 at the end of June 30, [2015] **2016**, with no further action required by the General
15 Assembly, this Act shall be abrogated and of no further force and effect.

16 Article – Financial Institutions

17 12-1009.

18 (a) A registration issued under this subtitle expires on December 31 of each
19 odd-numbered year unless the registration is renewed for a 2-year term as provided
20 in subsection (b) of this section.

21 (b) On or before December 1 of the year of expiration, a registration may be
22 renewed for a 2-year term if the registrant:

23 (1) Otherwise is entitled to be registered;

24 (2) Pays to the Commissioner the renewal fee established under §
25 12-1006 of this subtitle; and

26 (3) Submits to the Commissioner a renewal application on the form
27 that the Commissioner requires.

28 **(C) A REGISTRATION OR A RENEWAL OF A REGISTRATION WITH AN**
29 **EXPIRATION DATE OF DECEMBER 1, 2015, SHALL AUTOMATICALLY EXTEND AND**
30 **EXPIRE ON JUNE 1, 2016, WITHOUT PAYMENT OF AN ADDITIONAL FEE OR**
31 **SUBMISSION OF AN APPLICATION.**

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2014.