

HOUSE BILL 187

I1, C2

8lr0104
CF SB 6

By: **Chair, Economic Matters Committee (By Request – Departmental – Labor,
Licensing and Regulation)**

Introduced and read first time: January 18, 2018

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Financial Institutions – Nondepository Special Fund – Expansion**

3 FOR the purpose of requiring certain revenue, fees, and examination and investigation fees
4 and assessments relating to the licensure of collection agencies, consumer lenders,
5 installment lenders, sales finance companies, mortgage lenders, check cashing
6 services, and credit services businesses to be credited to the Nondepository Special
7 Fund; altering the composition and the purpose of the Fund; making conforming and
8 stylistic changes; and generally relating to financial regulation and the
9 Nondepository Special Fund.

10 BY adding to

11 Article – Business Regulation
12 Section 7–302.2
13 Annotated Code of Maryland
14 (2015 Replacement Volume and 2017 Supplement)

15 BY adding to

16 Article – Financial Institutions
17 Section 11–203.3, 11–402.1, and 12–104.1
18 Annotated Code of Maryland
19 (2011 Replacement Volume and 2017 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Financial Institutions
22 Section 11–503.2 and 11–610
23 Annotated Code of Maryland
24 (2011 Replacement Volume and 2017 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Business Regulation**

2 **7-302.2.**

3 (A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS
4 TITLE AND ANY OTHER FEE OR REVENUE RECEIVED BY THE BOARD UNDER THIS
5 TITLE SHALL BE:

6 (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND
7 ESTABLISHED UNDER § 11-610 OF THE FINANCIAL INSTITUTIONS ARTICLE; AND

8 (2) USED IN ACCORDANCE WITH § 11-610(C) OF THE FINANCIAL
9 INSTITUTIONS ARTICLE.

10 (B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE BOARD
11 SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE BOARD UNDER THIS
12 TITLE INTO THE GENERAL FUND OF THE STATE.

13 **Article – Financial Institutions**

14 **11-203.3.**

15 (A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS
16 SUBTITLE AND SUBTITLE 3 OF THIS TITLE AND ANY OTHER FEE OR REVENUE
17 RECEIVED BY THE COMMISSIONER UNDER THIS SUBTITLE SHALL BE:

18 (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND
19 ESTABLISHED UNDER § 11-610 OF THIS TITLE; AND

20 (2) USED IN ACCORDANCE WITH § 11-610(C) OF THIS TITLE.

21 (B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE
22 COMMISSIONER SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE
23 COMMISSIONER UNDER THIS SUBTITLE AND SUBTITLE 3 OF THIS TITLE INTO THE
24 GENERAL FUND OF THE STATE.

25 **11-402.1.**

26 (A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS
27 SUBTITLE AND ANY OTHER FEE, INVESTIGATION FEE OR ASSESSMENT, OR REVENUE
28 RECEIVED BY THE COMMISSIONER UNDER THIS SUBTITLE SHALL BE:

29 (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND

1 ESTABLISHED UNDER § 11-610 OF THIS TITLE; AND

2 (2) USED IN ACCORDANCE WITH § 11-610(C) OF THIS TITLE.

3 (B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE
4 COMMISSIONER SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE
5 COMMISSIONER UNDER THIS SUBTITLE INTO THE GENERAL FUND OF THE STATE.

6 11-503.2.

7 (a) All revenue received for the licensing of persons under this subtitle and any
8 other fee, examination OR INVESTIGATION FEE OR assessment, or revenue received by
9 the Commissioner under this subtitle shall be:

10 (1) Credited to the Nondepository Special Fund established under § 11-610
11 of this title; and

12 (2) Used in accordance with § 11-610(c) of this title.

13 (b) Notwithstanding subsection (a) of this section, the Commissioner shall pay all
14 fines and penalties collected by the Commissioner under this subtitle into the General Fund
15 of the State.

16 11-610.

17 (a) There is a Nondepository Special Fund that consists of:

18 (1) Revenue received for the licensing of individuals under this subtitle;

19 (2) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER
20 SUBTITLE 2 OF THIS TITLE;

21 (3) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER
22 SUBTITLE 3 OF THIS TITLE;

23 (4) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER
24 SUBTITLE 4 OF THIS TITLE;

25 [(2)] (5) Revenue received for the licensing of persons under Subtitle 5 of
26 this title;

27 (6) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER
28 TITLE 12, SUBTITLE 1 OF THIS ARTICLE;

29 [(3)] (7) Revenue received for the licensing of persons under Title 12,

1 Subtitle 4 of this article;

2 **[(4)] (8)** Revenue received for the licensing of persons under Title 12,
3 Subtitle 9 of this article;

4 **[(5)] (9)** Revenue received for the registration of persons under Title 12,
5 Subtitle 10 of this article;

6 **(10) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
7 **TITLE 7 OF THE BUSINESS REGULATION ARTICLE;**

8 **(11) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
9 **TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE;**

10 **[(6)] (12)** Income from the investments that the State Treasurer makes for
11 the Fund; and

12 **[(7)] (13) (I)** Any other fee, examination **OR INVESTIGATION FEE OR**
13 assessment, or revenue received by the Commissioner under this subtitle, [Subtitle]
14 **SUBTITLES 2, 3, 4, AND 5** of this title, [and] Title 12, Subtitles 1, 4, 9, and 10 of this
15 article, **AND TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE; AND**

16 **(II) ANY OTHER FEE OR REVENUE RECEIVED BY THE STATE**
17 **COLLECTION AGENCY LICENSING BOARD UNDER TITLE 7 OF THE BUSINESS**
18 **REGULATION ARTICLE.**

19 (b) Notwithstanding subsection (a) of this section[, the]:

20 **(1) THE** Commissioner shall pay all fines and penalties collected by the
21 Commissioner under this subtitle, [Subtitle] **SUBTITLES 2, 3, 4, AND 5** of this title, [and]
22 Title 12, Subtitles 1, 4, 9, and 10 of this article, **AND TITLE 14, SUBTITLE 19 OF THE**
23 **COMMERCIAL LAW ARTICLE** into the General Fund of the State; **AND**

24 **(2) THE COLLECTION AGENCY LICENSING BOARD SHALL PAY ALL**
25 **FINES AND PENALTIES COLLECTED BY THE BOARD UNDER TITLE 7 OF THE**
26 **BUSINESS REGULATION ARTICLE INTO THE GENERAL FUND OF THE STATE.**

27 (c) The purpose of the Fund is to cover the direct and indirect costs of fulfilling
28 the statutory and regulatory duties of the Commissioner related to:

29 (1) This subtitle;

30 (2) **SUBTITLE 2 OF THIS TITLE;**

31 (3) **SUBTITLE 3 OF THIS TITLE;**

1 **(4) SUBTITLE 4 OF THIS TITLE;**

2 **[(2)] (5)** Subtitle 5 of this title;

3 **(6) TITLE 12, SUBTITLE 1 OF THIS ARTICLE;**

4 **[(3)] (7)** Title 12, Subtitle 4 of this article;

5 **[(4)] (8)** Title 12, Subtitle 9 of this article;

6 **[(5)] (9)** Title 12, Subtitle 10 of this article; [and]

7 **(10) TITLE 7 OF THE BUSINESS REGULATION ARTICLE;**

8 **(11) TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE; AND**

9 **[(6)] (12)** Any other expense authorized in the State budget.

10 (d) (1) The annual State budget shall include the costs and expenses of the
11 Commissioner relating to the regulation of mortgage lending, mortgage origination, money
12 transmission, debt management services, and debt settlement services.

13 (2) Any expenditures from the Fund to cover costs and expenses of the
14 Commissioner may be made only:

15 (i) With an appropriation from the Fund approved by the General
16 Assembly in the annual State budget; or

17 (ii) By the budget amendment procedure provided for in § 7–209 of
18 the State Finance and Procurement Article.

19 (3) If, in any fiscal year, the amount of the revenue collected by the
20 Commissioner and deposited into the Fund exceeds the actual appropriation for the
21 Commissioner to regulate **CONSUMER LOANS UNDER SUBTITLE 2 OF THIS TITLE;**
22 **INSTALLMENT LOANS UNDER SUBTITLE 3 OF THIS TITLE; SALES FINANCE**
23 **COMPANIES UNDER SUBTITLE 4 OF THIS TITLE;** mortgage lending under Subtitle 5 of
24 this title; mortgage origination under this subtitle; **CHECK CASHING SERVICES UNDER**
25 **TITLE 12, SUBTITLE 1 OF THIS ARTICLE;** money transmission under Title 12, Subtitle 4
26 of this article; debt management services under Title 12, Subtitle 9 of this article; [and]
27 debt settlement services under Title 12, Subtitle 10 of this article; **COLLECTION AGENCIES**
28 **UNDER TITLE 7 OF THE BUSINESS REGULATION ARTICLE; AND CREDIT SERVICES**
29 **BUSINESSES UNDER TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE,**
30 the excess amount shall be carried forward within the Fund.

1 (e) (1) The State Treasurer is the custodian of the Fund.

2 (2) The State Treasurer shall deposit payments received from the
3 Commissioner into the Fund.

4 (f) (1) (i) The Fund is a special, nonlapsing fund that is not subject to §
5 7-302 of the State Finance and Procurement Article.

6 (ii) The Fund may not be deemed a part of the General Fund of the
7 State.

8 (2) Unless otherwise provided by law, no part of the Fund may revert or be
9 credited to:

10 (i) The General Fund of the State; or

11 (ii) Any other special fund of the State.

12 **12-104.1.**

13 **(A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS**
14 **SUBTITLE AND ANY OTHER FEE OR REVENUE RECEIVED BY THE COMMISSIONER**
15 **UNDER THIS SUBTITLE SHALL BE:**

16 **(1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND**
17 **ESTABLISHED UNDER § 11-610 OF THIS ARTICLE; AND**

18 **(2) USED IN ACCORDANCE WITH § 11-610(C) OF THIS ARTICLE.**

19 **(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE**
20 **COMMISSIONER SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE**
21 **COMMISSIONER UNDER THIS SUBTITLE INTO THE GENERAL FUND OF THE STATE.**

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
23 1, 2018.