

SENATE BILL 929

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CF HB 379

By: **Senator Griffith**

Introduced and read first time: February 16, 2023

Assigned to: Rules

Re-referred to: Finance, March 3, 2023

Committee Report: Favorable

Senate action: Adopted

Read second time: March 9, 2023

CHAPTER _____

1 AN ACT concerning

2 **Commissioner of Financial Regulation – Name and Organization of Office**

3 FOR the purpose of establishing the name of a certain office under the Commissioner of
4 Financial Regulation in the Maryland Department of Labor as the Office of Financial
5 Regulation; designating a certain appointee of the Commissioner of Financial
6 Regulation as the Deputy Commissioner for Depository Activities; requiring the
7 Commissioner of Financial Regulation to appoint a Deputy Commissioner for
8 Non-Depository Activities; and generally relating to the name and organization of
9 the office under the Commissioner of Financial Regulation in the Maryland
10 Department of Labor.

11 BY repealing and reenacting, with amendments,
12 Article – Business Regulation
13 Section 7–201
14 Annotated Code of Maryland
15 (2015 Replacement Volume and 2022 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – Financial Institutions
18 Section 1–101
19 Annotated Code of Maryland
20 (2020 Replacement Volume and 2022 Supplement)

21 BY repealing and reenacting, with amendments,

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 Article – Financial Institutions
2 Section 2–101, 2–103, 2–110, 2–113(c), 2–119, 11–611, and 12–105.1(a)(5)
3 Annotated Code of Maryland
4 (2020 Replacement Volume and 2022 Supplement)

5 BY repealing and reenacting, with amendments,
6 Article – Real Property
7 Section 7–105.14(i)(1)
8 Annotated Code of Maryland
9 (2015 Replacement Volume and 2022 Supplement)

10 BY repealing and reenacting, with amendments,
11 Article – State Government
12 Section 8–403(22)
13 Annotated Code of Maryland
14 (2021 Replacement Volume and 2022 Supplement)

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

17 **Article – Business Regulation**

18 7–201.

19 There is a State Collection Agency Licensing Board in the Office of [the
20 Commissioner of] Financial Regulation in the Department.

21 **Article – Financial Institutions**

22 1–101.

23 (a) In this article, unless the context clearly requires otherwise, the following
24 words have the meanings indicated.

25 (b) “Address” means post office address, including, if applicable, street and
26 number, municipal area or county, state, and, if outside of the United States, country.

27 (c) “Any state” means:

28 (1) Any state, possession, or territory of the United States;

29 (2) The District of Columbia; or

30 (3) The Commonwealth of Puerto Rico.

31 (d) “Banking institution” means an institution that is incorporated under the
32 laws of this State as a State bank, trust company, or savings bank.

1 (e) "Charter" has the meaning stated in § 1-101 of the Corporations and
2 Associations Article.

3 (f) "Commercial bank" means an institution that is incorporated under the laws
4 of this State as a State bank or trust company.

5 (g) "Commissioner" means the Commissioner of Financial Regulation in the
6 Maryland Department of Labor.

7 (h) "County" means a county of this State and, unless otherwise indicated,
8 Baltimore City.

9 (i) "Credit union" means a credit union that is incorporated under the laws of this
10 State as a credit union.

11 (j) "Financial institution" means any financial institution of the type supervised
12 under this article, whether or not State-chartered.

13 (k) (1) "Foreign bank" means any financial institution or other institution that
14 engages in banking activities that are usual in connection with the business of banking in
15 the nations in which the institution is organized or operates.

16 (2) "Foreign bank" does not include a bank organized under the laws of any
17 state or a national banking association that has its headquarters in any state.

18 (l) "Includes" or "including" means includes or including by way of illustration
19 and not by way of limitation.

20 (m) "Mail" means to deposit in the United States mail, postage prepaid.

21 (n) "Mortgage" includes a deed of trust that secures a debt or the performance of
22 an obligation.

23 (o) "Municipal area" means a municipal corporation or an unincorporated city,
24 town, or village.

25 (p) "National banking association" means an institution that is incorporated
26 under federal law as a bank.

27 (q) "Nationwide Mortgage Licensing System and Registry" or "NMLS" means a
28 multistate uniform licensing system developed and maintained by the Conference of State
29 Bank Supervisors, or by a subsidiary or an affiliate of the Conference of State Bank
30 Supervisors, that may be used for the licensing and registration of persons required to be
31 licensed or registered under this article or the Commercial Law Article.

32 (r) "Other-state bank" means a bank chartered and primarily regulated by

1 another state.

2 (s) "Other-state credit union" means a credit union chartered and primarily
3 regulated by another state.

4 (t) "Person" means an individual, receiver, trustee, guardian, personal
5 representative, fiduciary, or representative of any kind and any partnership, firm,
6 association, corporation, or other entity.

7 (u) "Political subdivision" means:

8 (1) A county or municipal corporation of this State; and

9 (2) Unless the context requires otherwise, a special taxing district of this
10 State.

11 (v) "Real property" includes any interest in real property.

12 2-101.

13 (A) There is a Commissioner of Financial Regulation in the Maryland Department
14 of Labor.

15 (B) **THERE IS AN OFFICE OF FINANCIAL REGULATION UNDER THE**
16 **COMMISSIONER IN THE MARYLAND DEPARTMENT OF LABOR.**

17 (C) **THE COMMISSIONER IS THE HEAD OF THE OFFICE OF FINANCIAL**
18 **REGULATION.**

19 2-103.

20 (a) With the approval of the Secretary of Labor, the Commissioner shall appoint
21 [a]:

22 (1) **A Deputy Commissioner FOR DEPOSITORY ACTIVITIES; AND**

23 (2) **A DEPUTY COMMISSIONER FOR NON-DEPOSITORY ACTIVITIES.**

24 (b) The Deputy [Commissioner serves] **COMMISSIONERS APPOINTED UNDER**
25 **SUBSECTION (A) OF THIS SECTION SERVE** at the pleasure of the Commissioner and [is
26 an employee] **ARE EMPLOYEES** of the Commissioner's office.

27 (c) [The Deputy Commissioner shall have at least 5 years of experience in:]

28 (1) [State or national banking regulation or management; or] **THE**
29 **DEPUTY COMMISSIONER FOR DEPOSITORY ACTIVITIES SHALL HAVE AT LEAST 5**

1 YEARS OF EXPERIENCE IN THE REGULATION OR MANAGEMENT OF FINANCIAL
2 INSTITUTIONS.

3 (2) [The regulation or management of the business of making loans by
4 persons of the type regulated by this article] **THE DEPUTY COMMISSIONER FOR**
5 **NON-DEPOSITORY ACTIVITIES SHALL HAVE AT LEAST 5 YEARS OF EXPERIENCE IN**
6 **THE REGULATION OR MANAGEMENT OF PERSONS REQUIRED TO BE LICENSED OR**
7 **REGISTERED UNDER THIS ARTICLE OR THE COMMERCIAL LAW ARTICLE.**

8 (d) The Deputy [Commissioner is] **COMMISSIONERS APPOINTED UNDER**
9 **SUBSECTION (A) OF THIS SECTION ARE** entitled to the salary provided in the State
10 budget.

11 (e) In addition to any other powers and duties set forth in this article[, the]:

12 (1) **THE** Deputy Commissioner **FOR DEPOSITORY ACTIVITIES** has the
13 powers and duties of the Commissioner:

14 [(1)] (I) To the extent delegated by the Commissioner;

15 [(2)] (II) If the office of the Commissioner is vacant; and

16 [(3)] (III) If for any reason the Commissioner is unable to perform the
17 duties of the office; AND

18 (2) **THE DEPUTY COMMISSIONER FOR NON-DEPOSITORY**
19 **ACTIVITIES HAS THE POWERS AND DUTIES OF THE COMMISSIONER TO THE EXTENT**
20 **DELEGATED BY THE COMMISSIONER.**

21 2-110.

22 (a) The Commissioner and **THE** Deputy [Commissioner] **COMMISSIONERS**
23 **APPOINTED UNDER § 2-103 OF THIS SUBTITLE** shall devote full time to their duties.

24 (b) The Commissioner and **THE** Deputy [Commissioner] **COMMISSIONERS**
25 **APPOINTED UNDER § 2-103 OF THIS SUBTITLE** may not:

26 (1) Be an officer or director of any State banking institution or national
27 banking association, or in any entity engaged in the business of making loans; or

28 (2) Engage in any other business relating to banks and financial
29 institutions or lending.

30 2-113.

1 (c) For fiscal year 2001 and each fiscal year thereafter, the Governor shall include
2 in the annual budget bill an appropriation to the [Division] OFFICE of Financial
3 Regulation funding the positions necessary to implement the investigative and enforcement
4 powers authorized under this subtitle.

5 2–119.

6 For fiscal year 2009 and each fiscal year thereafter, the Governor shall include in the
7 annual budget bill an appropriation to the [Division] OFFICE of Financial Regulation for
8 the purpose of regulating banking institutions and credit unions.

9 11–611.

10 For fiscal year 2006 and each fiscal year thereafter, the Governor shall include in the
11 annual budget bill an appropriation to the [Division] OFFICE of Financial Regulation for
12 the purpose of creating necessary positions to [implement the provisions of] CARRY OUT
13 this subtitle.

14 12–105.1.

15 (a) A person may provide check cashing services without obtaining a license
16 under this subtitle by registering each year with the Commissioner under this section if
17 the person:

18 (5) Has conspicuously posted a notice with the following information, in 48
19 point type or larger, at each business location at which the person provides check cashing
20 services:

21 (i) The fees charged for check cashing services; and

22 (ii) How to contact the Office of [the Commissioner of] Financial
23 Regulation with comments or complaints; and

24 Article – Real Property

25 7–105.14.

26 (i) (1) There is a Foreclosed Property Registry Fund in the Office of [the
27 Commissioner of] Financial Regulation.

28 Article – State Government

29 8–403.

30 This subtitle applies only to the following governmental activities and units:

1 (22) Financial Regulation, Office of [the Commissioner of] (§ 2–101 of the
2 Financial Institutions Article);

3 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General
4 Assembly that any changes under Section 1 of this Act to § 2–101 of the Financial
5 Institutions Article or other statutory provisions referencing the name of the office
6 established under the Commissioner of Financial Regulation in the Maryland Department
7 of Labor shall be construed as a nonsubstantive revision that does not affect the powers
8 and duties of the Commissioner or the office.

9 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
10 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.