

HOUSE BILL 417

C2

4lr1316

By: **Delegate Cardin**

Introduced and read first time: January 24, 2014

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Collection Agency – Definition**

3 FOR the purpose of altering the definition of “collection agency” to make certain
4 provisions of law relating to the licensing of collection agencies applicable to a
5 person who engages in certain passive debt collection; defining a certain term;
6 and generally relating to collection agencies.

7 BY repealing and reenacting, without amendments,
8 Article – Business Regulation
9 Section 7–101(a)
10 Annotated Code of Maryland
11 (2010 Replacement Volume and 2013 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Business Regulation
14 Section 7–101(c)
15 Annotated Code of Maryland
16 (2010 Replacement Volume and 2013 Supplement)

17 BY adding to
18 Article – Business Regulation
19 Section 7–101(h)
20 Annotated Code of Maryland
21 (2010 Replacement Volume and 2013 Supplement)

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

24 **Article – Business Regulation**

25 7–101.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) In this title the following words have the meanings indicated.

2 (c) **(1)** “Collection agency” means a person who engages directly or
3 indirectly in the business of:

4 **[(1)] (i) 1.** collecting for, or soliciting from another, a consumer
5 claim; or

6 **[(ii)] 2.** collecting a consumer claim the person owns, if the
7 claim was in default when the person acquired it;

8 **[(2)] (II)** collecting a consumer claim the person owns, using a name
9 or other artifice that indicates that another party is attempting to collect the consumer
10 claim;

11 **[(3)] (III)** giving, selling, attempting to give or sell to another, or
12 using, for collection of a consumer claim, a series or system of forms or letters that
13 indicates directly or indirectly that a person other than the owner is asserting the
14 consumer claim; or

15 **[(4)] (IV)** employing the services of an individual or business to solicit
16 or sell a collection system to be used for collection of a consumer claim.

17 **(2) “COLLECTION AGENCY” INCLUDES A PERSON WHO ENGAGES**
18 **IN PASSIVE DEBT COLLECTION.**

19 **(H) “PASSIVE DEBT COLLECTION” MEANS:**

20 **(1) FOR INVESTMENT PURPOSES, ACQUIRING A CONSUMER CLAIM**
21 **IN DEFAULT AT THE TIME OF ACQUISITION; AND**

22 **(2) DIRECTLY OR INDIRECTLY COLLECTING THE DEBT,**
23 **INCLUDING THROUGH CIVIL LITIGATION.**

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