

SENATE BILL 88

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(PRE-FILED)

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

Requested: October 27, 2015

Introduced and read first time: January 13, 2016

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Commissioner of Financial Regulation – Consolidation of Nondepository**
3 **Special Funds**

4 FOR the purpose of consolidating the Mortgage Lender–Originator Fund, the Money
5 Transmission Fund, and the Debt Management Services Fund into one fund;
6 renaming the Mortgage Lender–Originator Fund to be the Nondepository Special
7 Fund; requiring that certain money be transferred to a certain fund as of a certain
8 date; and generally relating to financial regulation.

9 BY repealing and reenacting, with amendments,
10 Article – Financial Institutions
11 Section 11–601(f), 11–610, 12–404, 12–901(j), and 12–905
12 Annotated Code of Maryland
13 (2011 Replacement Volume and 2015 Supplement)

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

16 **Article – Financial Institutions**

17 11–601.

18 (f) “Fund” means the [Mortgage Lender–Originator Fund]
19 **NONDEPOSITORY SPECIAL FUND** established under § 11–610 of this subtitle.

20 11–610.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) There is a [Mortgage Lender–Originator Fund] **NONDEPOSITORY SPECIAL**
2 **FUND** that consists of:

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

4 (2) Revenue received for the licensing of persons under Subtitle 5 of this
5 title;

6 **(3) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
7 **TITLE 12, SUBTITLE 4 OF THIS ARTICLE;**

8 **(4) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
9 **TITLE 12, SUBTITLE 9 OF THIS ARTICLE;**

10 **[(3)] (5)** Income from the investments that the State Treasurer makes for
11 the Fund; and

12 **[(4)] (6)** Any other fee, examination assessment, or revenue received by
13 the Commissioner under [Subtitle 5 of this title and] this subtitle, **SUBTITLE 5 OF THIS**
14 **TITLE, AND TITLE 12, SUBTITLES 4 AND 9 OF THIS ARTICLE.**

15 (b) Notwithstanding subsection (a) of this section, the Commissioner shall pay all
16 fines and penalties collected by the Commissioner under [Subtitle 5 of this title and] this
17 subtitle, **SUBTITLE 5 OF THIS TITLE, AND TITLE 12, SUBTITLES 4 AND 9 OF THIS**
18 **ARTICLE** into the General Fund of the State.

19 (c) The purpose of the Fund is to pay the costs and expenses incurred by the
20 Commissioner that are related to the regulation of mortgage lending [and], mortgage
21 origination, **MONEY TRANSMISSION, AND DEBT MANAGEMENT SERVICES**, including:

22 (1) Expenditures authorized under **THIS SUBTITLE OR** Subtitle 5 of this
23 title [or this subtitle]; [and]

24 **(2) EXPENDITURES AUTHORIZED UNDER TITLE 12, SUBTITLE 4 OF**
25 **THIS ARTICLE;**

26 **(3) EXPENDITURES AUTHORIZED UNDER TITLE 12, SUBTITLE 9 OF**
27 **THIS ARTICLE; AND**

28 **[(2)] (4)** Any other expense authorized in the State budget.

29 (d) (1) The annual State budget shall include the costs and expenses of the
30 Commissioner relating to the regulation of mortgage lending [and], mortgage origination,
31 **MONEY TRANSMISSION, AND DEBT MANAGEMENT SERVICES.**

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

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

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

7 (3) If, in any fiscal year, the amount of the revenue collected by the
8 Commissioner and deposited into the Fund exceeds the actual appropriation for the
9 Commissioner to regulate mortgage lending under Subtitle 5 of this title [and]; mortgage
10 origination under this subtitle; **MONEY TRANSMISSION UNDER TITLE 12, SUBTITLE 4**
11 **OF THIS ARTICLE; AND DEBT MANAGEMENT SERVICES UNDER TITLE 12, SUBTITLE**
12 **9 OF THIS ARTICLE**, the excess amount shall be carried forward within the Fund.

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

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

16 (f) (1) (i) The Fund is a special, nonlapsing fund that is not subject to §
17 7–302 of the State Finance and Procurement Article.

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

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

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

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

24 12–404.

25 (a) [In this section, “Fund” means the Money Transmission Fund established
26 under this section.

27 (b) There is a Money Transmission Fund that consists of:

28 (1)] All revenue received for the licensing of persons who engage in the
29 business of money transmission under this subtitle[;

30 (2) Income from the investments that the State Treasurer makes for the
31 Fund;] and

1 [(3) Any] ANY other fee, examination assessment, or revenue received by
2 the Commissioner under this subtitle **SHALL BE CREDITED TO THE NONDEPOSITORY**
3 **SPECIAL FUND ESTABLISHED UNDER § 11-610 OF THIS ARTICLE.**

4 [(c) (B) Notwithstanding subsection [(b) (A) of this section, the Commissioner
5 shall pay all fines and penalties collected by the Commissioner under this subtitle into the
6 General Fund of the State.

7 [(d) The purpose of the Fund is to pay all the costs and expenses incurred by the
8 Commissioner that are related to the regulation of the business of money transmission
9 under this subtitle, including:

10 (1) Expenditures authorized under this subtitle; and

11 (2) Any other expense authorized in the State budget.

12 (e) (1) All the costs and expenses of the Commissioner relating to the
13 regulation of the business of money transmission under this subtitle shall be included in
14 the State budget.

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

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

19 (ii) By the budget amendment procedure provided for in § 7-209 of
20 the State Finance and Procurement Article.

21 (3) If, in any given fiscal year, the amount of the revenue collected by the
22 Commissioner and deposited into the Fund exceeds the actual appropriation for the
23 Commissioner to regulate the business of money transmission under this subtitle, the
24 excess amount shall be carried forward within the Fund.

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

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

28 (g) (1) The Fund is a continuing, nonlapsing fund and is not subject to § 7-302
29 of the State Finance and Procurement Article, and may not be deemed a part of the General
30 Fund of the State.

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

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

2 (ii) A special fund of the State.]

3 12-901.

4 (j) "Fund" means the [Debt Management Services Fund] **NONDEPOSITORY**
5 **SPECIAL FUND** established under [§ 12-905 of this subtitle] **§ 11-610 OF THIS ARTICLE.**

6 12-905.

7 (a) [There is a Debt Management Services Fund that consists of:

8 (1)] All revenue received for the licensing of persons that provide debt
9 management services under this subtitle[;

10 (2) All revenue received] **AND** for the registration of persons that provide
11 debt settlement services under Subtitle 10 of this title[;

12 (3) Income from investments that the Treasurer makes for the Fund;] and,

13 [(4) Except] **EXCEPT** as provided in subsection (b) of this section, any other
14 fee or revenue received by the Commissioner under this subtitle or under Subtitle 10 of this
15 title **SHALL BE CREDITED TO THE NONDEPOSITORY SPECIAL FUND ESTABLISHED**
16 **UNDER § 11-610 OF THIS ARTICLE.**

17 (b) [The] **NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE**
18 Commissioner shall pay all fines and penalties collected by the Commissioner under this
19 subtitle and under Subtitle 10 of this title into the General Fund of the State.

20 [(c) The purpose of the Fund is to pay all the costs and expenses incurred by the
21 Commissioner that are related to the regulation of the debt management services business
22 under this subtitle and that are related to the registration of debt settlement services
23 providers under Subtitle 10 of this title, including:

24 (1) Expenditures authorized under this subtitle and Subtitle 10 of this
25 title; and

26 (2) Any other expense authorized in the State budget.

27 (d) (1) The Treasurer is the custodian of the Fund.

28 (2) The Treasurer shall deposit payments received from the Commissioner
29 into the Fund.

1 (e) (1) The Fund is a continuing, nonlapsing fund that is not subject to §
2 7–302 of the State Finance and Procurement Article, and may not be deemed a part of the
3 General Fund of the State.

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

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

7 (ii) A special fund of the State.

8 (f) (1) All the costs and expenses of the Commissioner relating to the
9 regulation of the debt management services business under this subtitle and to the
10 registration of debt settlement services providers under Subtitle 10 of this title shall be
11 included in the State budget.

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

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

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

18 (3) If, in any fiscal year, the amount of the revenue collected by the
19 Commissioner and deposited into the Fund exceeds the actual appropriation for the
20 Commissioner to regulate the debt management services business under this subtitle and
21 to register debt settlement services providers under Subtitle 10 of this title, the excess
22 amount shall be carried forward within the Fund.

23 (g) The Office of Legislative Audits shall audit the accounts and transactions of
24 the Fund under § 2–1220 of the State Government Article.]

25 SECTION 2. AND BE IT FURTHER ENACTED, That all money deposited in or
26 credited to the Money Transmission Fund and the Debt Management Services Fund shall
27 be transferred into the Nondepository Special Fund, as enacted by Section 1 of this Act, as
28 of July 1, 2016, and the transferring funds shall be terminated as of the end of July 1, 2016.

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
30 1, 2016.