

# HOUSE BILL 1134

I3, I1, I2

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CF SB 884

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By: **Delegates Frick, Barve, Branch, Ebersole, Jones, Kaiser, Korman, Krimm, Lierman, Luedtke, McCray, Morhaim, Pena–Melnik, Stein, Tarlau, Turner, Valentino–Smith, Wilkins, and K. Young**

Introduced and read first time: February 9, 2017

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 8, 2017

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Financial Consumer Protection Commission**

3 FOR the purpose of establishing the Maryland Financial Consumer Protection  
4 Commission; providing for the composition, chair, and staffing of the Commission;  
5 prohibiting a member of the Commission from receiving certain compensation, but  
6 authorizing the reimbursement of certain expenses; requiring the Commission to  
7 study and make recommendations regarding certain matters; authorizing the  
8 Commission to hold public meetings across the State and provide certain reports to  
9 the Governor, the General Assembly, and the Maryland Congressional Delegation  
10 under certain circumstances; requiring the Commission to report its findings and  
11 recommendations to the Governor and the General Assembly on or before a certain  
12 date; providing for the termination of this Act; and generally relating to the  
13 Maryland Financial Consumer Protection Commission.

14 Preamble

15 WHEREAS, The financial crisis of 2008 created the worst worldwide economic  
16 downturn since the Great Depression, leaving millions of Americans without jobs, pensions,  
17 or homes; and

18 WHEREAS, The U.S. Congress concluded that the failures of the nation's financial  
19 regulatory system were a major cause of the Great Recession; and

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### 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 WHEREAS, To prevent future financial crises, the U.S. Congress enacted a number  
2 of initiatives including the Dodd–Frank Wall Street Reform and Consumer Protection Act  
3 of 2010 (Dodd–Frank Act); and

4 WHEREAS, The Dodd–Frank Act was designed to prevent the excessive risk–taking  
5 that led to the financial crisis and provide commonsense protections for American families,  
6 including the Consumer Financial Protection Bureau (CFPB) to prevent financial firms  
7 from exploiting consumers; and

8 WHEREAS, Over the last 6 years, the CFPB has helped more than 27 million  
9 consumers receive relief from illegal financial practices and has helped provide \$11.7 billion  
10 in relief to consumers as a result of their enforcement actions; and

11 WHEREAS, Since the 2008 financial crisis, the Securities and Exchange  
12 Commission has adopted new rules and increased enforcement to protect investors and  
13 promote market integrity and stability; and

14 WHEREAS, Other federal agencies, including the Commodity Futures Trading  
15 Commission, the Department of Education, the Department of Labor, the Federal Reserve  
16 Board, and the Pension Benefit Guaranty Corporation, have adopted new regulations and  
17 policies to protect pensions, investments, student loans, and other financial products and  
18 services; and

19 WHEREAS, Various members of the new federal administration and the U.S.  
20 Congress are proposing to repeal provisions of the Dodd–Frank Act and weaken other key  
21 components of federal regulation of the financial services industry, thereby endangering  
22 America’s economic security and prosperity; and

23 WHEREAS, Efforts to reduce the transparency essential to healthy capital markets  
24 and weaken the regulatory oversight needed to maintain the integrity of these markets  
25 dramatically increase the risk of fraud, market manipulation, and financial crises, putting  
26 all Americans at risk; now, therefore,

27 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
28 That:

29 (a) There is a Maryland Financial Consumer Protection Commission.

30 (b) The Commission consists of the following members:

31 (1) two members of the Senate of Maryland, appointed by the President of  
32 the Senate;

33 (2) two members of the House of Delegates, appointed by the Speaker of  
34 the House;

1 (3) the ~~Secretary of Labor, Licensing, and Regulation, or the Secretary's~~  
2 Commissioner of Financial Regulation, or the Commissioner's designee;

3 (4) the Attorney General, or the Attorney General's designee; and

4 (5) five members of the public, appointed jointly by the President of the  
5 Senate and the Speaker of the House.

6 (c) The chair of the Commission shall be designated jointly by the President of  
7 the Senate and the Speaker of the House.

8 (d) The ~~Department of Legislative Services~~ Office of the Attorney General shall  
9 provide staff for the Commission.

10 (e) A member of the Commission:

11 (1) may not receive compensation as a member of the Commission; but

12 (2) is entitled to reimbursement for expenses under the Standard State  
13 Travel Regulations, as provided in the State budget.

14 (f) The Commission shall:

15 (1) assess the impact of potential changes to federal financial industry laws  
16 and regulations, budgets, and policies, including changes to:

17 (i) the Dodd–Frank Wall Street Reform and Consumer Protection  
18 Act;

19 (ii) the Consumer Financial Protection Bureau;

20 (iii) the Securities and Exchange Commission;

21 (iv) the Commodity Futures Trading Commission;

22 (v) the Pension Benefit Guaranty Corporation;

23 (vi) the Department of Labor;

24 (vii) the Federal Reserve Board; and

25 (viii) any other federal financial regulators; and

26 (2) provide recommendations for federal and State actions that will protect  
27 residents of the State in financial transactions and when receiving financial services.

28 (g) The Commission may:

1           (1)    hold public meetings across the State to conduct its duties; and

2           (2)    provide periodic reports and recommendations to the Governor, the  
3 General Assembly, and the Maryland Congressional Delegation, as it deems appropriate.

4           (h)    On or before December 31, 2017, the Commission shall submit a report on its  
5 findings and recommendations, including any legislative proposals, to the Governor and, in  
6 accordance with § 2–1246 of the State Government Article, the General Assembly.

7           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
8 1, 2017. It shall remain effective for a period of 1 year and 1 month and, at the end of June  
9 30, 2018, with no further action required by the General Assembly, this Act shall be  
10 abrogated and of no further force and effect.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.