

# HOUSE BILL 187

I1, C2

8lr0104  
CF SB 6

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

Introduced and read first time: January 18, 2018

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 7, 2018

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

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

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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 Section 11–503.2 and 11–610  
2 Annotated Code of Maryland  
3 (2011 Replacement Volume and 2017 Supplement)

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

6 **Article – Business Regulation**

7 **7–302.2.**

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

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

13 (2) USED IN ACCORDANCE WITH § 11–610(C) OF THE FINANCIAL  
14 INSTITUTIONS ARTICLE.

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

18 **Article – Financial Institutions**

19 **11–203.3.**

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

23 (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND  
24 ESTABLISHED UNDER § 11–610 OF THIS TITLE; AND

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

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

30 **11–402.1.**

1           **(A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS**  
2 **SUBTITLE AND ANY OTHER FEE, INVESTIGATION FEE OR ASSESSMENT, OR REVENUE**  
3 **RECEIVED BY THE COMMISSIONER UNDER THIS SUBTITLE SHALL BE:**

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

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

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

10 11-503.2.

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

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

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

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

20 11-610.

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

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

23                   **(2) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**  
24 **SUBTITLE 2 OF THIS TITLE;**

25                   **(3) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**  
26 **SUBTITLE 3 OF THIS TITLE;**

27                   **(4) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**  
28 **SUBTITLE 4 OF THIS TITLE;**

29                   **[(2)] (5) Revenue received for the licensing of persons under Subtitle 5 of**  
30 **this title;**

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

3           **[(3)] (7)** Revenue received for the licensing of persons under Title 12,  
4 Subtitle 4 of this article;

5           **[(4)] (8)** Revenue received for the licensing of persons under Title 12,  
6 Subtitle 9 of this article;

7           **[(5)] (9)** Revenue received for the registration of persons under Title 12,  
8 Subtitle 10 of this article;

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

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

13           **[(6)] (12)** Income from the investments that the State Treasurer makes for  
14 the Fund; and

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

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

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

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

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

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

1 (1) This subtitle;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (3) If, in any fiscal year, the amount of the revenue collected by the  
23 Commissioner and deposited into the Fund exceeds the actual appropriation for the  
24 Commissioner to regulate **CONSUMER LOANS UNDER SUBTITLE 2 OF THIS TITLE;**  
25 **INSTALLMENT LOANS UNDER SUBTITLE 3 OF THIS TITLE;** **SALES FINANCE**  
26 **COMPANIES UNDER SUBTITLE 4 OF THIS TITLE;** mortgage lending under Subtitle 5 of  
27 this title; mortgage origination under this subtitle; **CHECK CASHING SERVICES UNDER**  
28 **TITLE 12, SUBTITLE 1 OF THIS ARTICLE;** money transmission under Title 12, Subtitle 4  
29 of this article; debt management services under Title 12, Subtitle 9 of this article; [and]

1 debt settlement services under Title 12, Subtitle 10 of this article; **COLLECTION AGENCIES**  
2 **UNDER TITLE 7 OF THE BUSINESS REGULATION ARTICLE; AND CREDIT SERVICES**  
3 **BUSINESSES UNDER TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE,**  
4 the excess amount shall be carried forward within the Fund.

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

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

8 (f) (1) (i) The Fund is a special, nonlapsing fund that is not subject to §  
9 7-302 of the State Finance and Procurement Article.

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

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

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

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

16 **12-104.1.**

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

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

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

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

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~  
27 June 1, 2018.