

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

House Bill 437 (Chairman, Economic Matters Committee)
(Departmental - Labor, Licensing and Regulation)

Economic Matters

Referred to Finance

Collection Agencies - Licensing Board - Regulation, Licensing, Bonding, and Enforcement

This amended departmental bill authorizes the State Collection Agency Board to issue orders and impose fines against any person who violates State laws relating to collection agencies or the Maryland Consumer Debt Collection Act. The surety bond required of each licensed collection agency may be used to cover any losses or damages resulting from a violation of these laws. The board may issue cease and desist orders cited in the order, not to exceed \$5,000. In addition, the bill provides for the annual renewal of licenses, clarifies the definition of a “collection agency,” and establishes appeals rights for any person aggrieved by a final order of the board.

Fiscal Summary

State Effect: Minimal impact on general fund revenues, as discussed below. Expenditures would not be affected because the bill does not substantively impact the board’s responsibilities.

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small business (attached). Fiscal Services concurs with this assessment. (The attached assessment does not reflect the amendments to the bill.)

Fiscal Analysis

State Revenues: The bill provides for the annual renewal of a collection agency license and establishes a renewal fee of \$200. This provision of the bill is consistent with current practice and would not impact State revenues.

General fund revenues could increase under the bill's monetary penalty provision. However, any increase in revenues should be minimal since the maximum penalty which can be imposed by the board is \$500 for each violation cited in the order, not to exceed \$5,000.

Information Source(s): Department of Labor, Licensing, and Regulation; Judiciary (Administrative Office of the Courts); Department of Fiscal Services

Fiscal Note History: First Reader - February 7, 1996

ncs Revised - House Third Reader - March 22, 1996

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