

---

**By: Chairman, Finance Committee (Departmental - Labor, Licensing and Regulation)**

Introduced and read first time: January 27, 1997

Rule 32(e) suspended

Assigned to: Finance

---

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 11, 1997

---

## CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Commissioner of Financial Regulation - Licensing**

3 FOR the purpose of revising the payment schedule of certain fees; increasing the term of  
4 certain licenses; allowing the Secretary of Labor, Licensing, and Regulation to  
5 stagger the expiration of certain licenses; and generally relating to licenses issued by  
6 the Commissioner of Financial Regulation.

7 BY repealing and reenacting, with amendments,

8 Article - Financial Institutions

9 Section 11-206, 11-209, 11-404, 11-409, 11-507, and 11-511

10 Annotated Code of Maryland

11 (1992 Replacement Volume and 1996 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article - Business Regulation

14 Section 7-302 and 7-306

15 Annotated Code of Maryland

16 (1992 Volume and 1996 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF

18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - Financial Institutions**

20 11-206.

21 (a) (1) To apply for a license, an applicant shall sign and submit to the  
22 Commissioner a verified application on the form that the Commissioner requires.

2

1 (2) The application shall include:

2 (i) The applicant's name and address and, if the applicant is not an  
3 individual, the names and addresses of each of its principal owners and each of its  
4 officers, directors, or members;

5 (ii) The address at which the business is to be conducted; and

6 (iii) Any other pertinent information that the Commissioner requires  
7 for an investigation and findings under § 11-207 of this subtitle.

8 (b) With the application, the applicant shall pay to the Commissioner:

9 (1) An investigation fee of \$100; and

10 (2) A license fee of [either]:

11 (i) [~~\$850~~] \$1,700 if the applicant applies for a license to be issued on  
12 or after [July] JANUARY 1 and on or before December 31 OF AN EVEN-NUMBERED  
13 YEAR; [or]

14 (ii) EFFECTIVE JANUARY 1, 1999, [~~\$425~~] \$850 if the applicant applies  
15 for a license to be issued on or after January 1 and on or before [June 30] DECEMBER  
16 31 OF AN ODD-NUMBERED YEAR; OR

17 (III) \$1,700 IF THE APPLICANT APPLIES FOR A LICENSE TO BE ISSUED  
18 ON OR AFTER OCTOBER 1, 1997 AND ON OR BEFORE DECEMBER 31, 1997.

19 (c) (1) With the application, the applicant shall file with the Commissioner a  
20 surety bond.

21 (2) The surety bond filed under this subsection shall run to this State for the  
22 benefit of this State and of any person who has a cause of action against the applicant  
23 under the Maryland Consumer Loan Law.

24 (3) The surety bond shall be:

25 (i) In an amount equal to twice the amount of the largest loan that  
26 may be made under the Maryland Consumer Loan Law;

27 (ii) With sureties that the Commissioner approves; and

28 (iii) Conditioned that the applicant will comply with the Maryland  
29 Consumer Loan Law and will pay to this State or to any person any money that the  
30 applicant may owe to this State or to that person under the Maryland Consumer Loan  
31 Law.

32 (d) For each license for which an applicant applies, the applicant shall:

33 (1) Submit a separate application;

34 (2) Pay a separate investigation fee and license fee; and

35 (3) File a separate bond.

3

1 11-209.

2 (a) A license ISSUED BEFORE SEPTEMBER 30, 1997 expires on the June 30 after  
3 its effective date, unless it is renewed ON OR BEFORE JUNE 1 OF THE YEAR OF  
4 EXPIRATION for a [1-year] ~~2-YEAR~~ AN ADDITIONAL term as provided in this section.

5 (b) A LICENSE ISSUED ON OR AFTER OCTOBER 1, 1997 EXPIRES ON DECEMBER  
6 31 IN EACH ODD-NUMBERED YEAR AFTER DECEMBER 31, 1997, UNLESS IT IS  
7 RENEWED FOR A 2-YEAR TERM AS PROVIDED IN THIS SECTION.

8 (C) On or before [June] DECEMBER 1 OF THE YEAR OF EXPIRATION, a  
9 [licensee may renew the license] LICENSE MAY BE RENEWED for an additional  
10 [1-year] 2-YEAR term, if the licensee:

11 (1) Otherwise is entitled to be licensed;

12 (2) Pays to the Commissioner a renewal fee of [\$850] \$1,700; and

13 (3) Submits to the Commissioner a renewal application on the form that the  
14 Commissioner requires.

15 [(c)] (D) The Commissioner may waive the requirements of § 11-205(1) and (2)  
16 of this subtitle for the renewal of a license.

17 (E) THE SECRETARY MAY DETERMINE THAT LICENSES ISSUED UNDER THIS  
18 SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.

19 11-404.

20 (a) (1) To apply for a license, an applicant shall sign and submit to the  
21 Commissioner a verified application on the form that the Commissioner requires.

22 (2) The application shall include:

23 (i) The name of the applicant;

24 (ii) The address at which the business is to be conducted, including, if  
25 applicable, the office building and room number;

26 (iii) The address of each branch, subsidiary, or affiliate that the  
27 applicant operates in this State;

28 (iv) If the applicant is a corporation, the date of its incorporation;

29 (v) The name and residence address of each owner or partner in the  
30 applicant or, if the applicant is a corporation or association, the name and residence  
31 address of each of its directors or trustees, its principal officers, and each person who  
32 owns an interest of 20 percent or more in the applicant; and

33 (vi) Any other pertinent information that the Commissioner requires.

34 (b) With the application, the applicant shall pay to the Commissioner:

35 (1) An investigation fee of \$100; and

36 (2) A license fee of [\$125] \$250.

4

1 (c) (1) For each license for which an applicant applies, the applicant shall  
2 submit:

3 (i) A separate application; and

4 (ii) Pay a separate investigation fee and license fee.

5 (2) If an applicant applies for three or more licenses at the same time, the  
6 total investigation fee is \$300.

7 11-409.

8 (a) (1) A LICENSE ISSUED ON OR BEFORE SEPTEMBER 30, 1997 EXPIRES ON  
9 DECEMBER 31 OF THE YEAR IN WHICH IT WAS ISSUED.

10 (2) A license ISSUED ON OR AFTER OCTOBER 1, 1997 expires on December  
11 31 [of the year in which it was issued] IN EACH ODD-NUMBERED YEAR AFTER  
12 DECEMBER 31, 1997.

13 (b) Before a license expires, the licensee may apply for a new license.

14 (C) THE SECRETARY MAY DETERMINE THAT LICENSES ISSUED UNDER THIS  
15 SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.

16 11-507.

17 (a) (1) To apply for a license, an applicant shall complete, sign, and submit to  
18 the Commissioner an application made under oath on the form that the Commissioner  
19 requires.

20 (2) The applicant shall comply with all conditions and provisions of the  
21 application for licensure.

22 (3) The application shall include:

23 (i) If the applicant is an individual, the applicant's name, business  
24 address and telephone number, and residence address and telephone number;

25 (ii) If the applicant is a partnership or other noncorporate business  
26 association, the business name, business address and telephone number, and the  
27 residence address and telephone number of each:

28 1. General partner, if the applicant is a limited partnership;

29 2. General partner who holds an interest in the partnership of  
30 more than 10 percent, if the applicant is a general partnership; or

31 3. Member, if the applicant is another noncorporate business  
32 association;

33 (iii) If the applicant is a corporation:

34 1. The name, address, and telephone number of the corporate  
35 entity; and



6

1 (3) Submits to the Commissioner a renewal application on the form that the  
2 Commissioner requires; and

3 (4) Files a bond or bond continuation certificate for the amount required  
4 under § 11-508 of this subtitle.

5 (c) If a license is issued for less than [a] 2 full [year,] YEARS AND is  
6 surrendered voluntarily, or is suspended or revoked, the Commissioner may not refund  
7 any part of the license fee regardless of the time remaining in the license [year] TERM.

8 (D) THE SECRETARY MAY DETERMINE THAT LICENSES ISSUED UNDER THIS  
9 SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.

10 **Article - Business Regulation**

11 7-302.

12 (a) An applicant for a license shall:

13 (1) submit to the Board an application on the form that the Board provides;  
14 and

15 (2) pay to the Board an application fee of [\$200] \$400.

16 (b) An application shall be made under oath.

17 (c) If an applicant wishes to do business as a collection agency at more than 1  
18 place, the applicant shall submit a separate application and pay a separate application fee  
19 for each place.

20 (d) An application fee is nonrefundable.

21 (e) Before a license expires, the licensee periodically may renew the license for  
22 additional [1-year] 2-YEAR terms, if the licensee:

23 (1) otherwise is entitled to be licensed;

24 (2) pays to the Board a renewal fee of [\$200] \$400;

25 (3) submits to the Board a renewal application on a form required by the  
26 Board; and

27 (4) files with the Board a bond or bond continuation certificate as required  
28 under § 7-304 of this subtitle.

29 7-306.

30 (A) (1) A LICENSE ISSUED ON OR BEFORE SEPTEMBER 30, 1997 EXPIRES ON  
31 DECEMBER 31 OF THE YEAR IN WHICH IT WAS ISSUED.

32 (2) A license ISSUED ON OR AFTER OCTOBER 1, 1997 expires on [the first]  
33 December 31 IN EACH ODD-NUMBERED YEAR after [its effective date] DECEMBER 31,  
34 1997.

35 (B) THE SECRETARY MAY DETERMINE THAT LICENSES ISSUED UNDER THIS  
36 SUBTITLE SHALL EXPIRE ON A STAGGERED BASIS.

7

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2 October 1, 1997.