

BY: Finance Committee

AMENDMENTS TO SENATE BILL NO. 145

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 6, after "fees;" insert "requiring that certain late fees be disclosed in a certain manner; establishing certain limitations on the amount and duration of late fees included in certain consumer contracts; establishing certain limitations on the time at which a late fee included in certain consumer contracts may be imposed; providing that a late fee imposed under this Act is subject to certain limitations or conditions; authorizing the bylaws of a homeowners association to provide for a certain late charge under certain circumstances; providing for the effect of this Act;"; in the same line, strike "a term" and substitute "certain terms"; in line 7, after "Act;" insert "making provisions of this Act severable;"; and after line 12, insert:

"BY repealing

Article - Commercial Law

Section 14-1315(f)

Annotated Code of Maryland

(1990 Replacement Volume and 1999 Supplement)

(As enacted by Section 1 of this Act)

BY adding to

Article - Commercial Law

Section 14-1315(f)

Annotated Code of Maryland

(1990 Replacement Volume and 1999 Supplement)

(As enacted by Section 1 of this Act)

BY adding to

Article - Real Property

Section 11B-112.1

(Over)

Annotated Code of Maryland  
(1996 Replacement Volume and 1999 Supplement)".

AMENDMENT NO. 2

On page 1, in line 17, strike the comma and substitute "THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "CONSUMER CONTRACT" MEANS A CONTRACT INVOLVING THE SALE, LEASE, OR PROVISION OF GOODS OR SERVICES WHICH ARE FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.

(3) "CONTRACT", UNLESS SPECIFICALLY PROVIDED OTHERWISE, INCLUDES CONSUMER, COMMERCIAL, AND BUSINESS CONTRACTS, COVENANTS, LEASES OF ANY KIND, AND TARIFFS ON FILE WITH ANY REGULATORY AUTHORITY.

(4) (I);

in lines 20, 22, 23, and 24, strike "(2)", "(I)", "(II)", and "(III)", respectively, and substitute "(II)", "1.", "2.", and "3.", respectively; in lines 20 and 21, strike "PARAGRAPH (1) OF THIS SUBSECTION" and substitute "SUBPARAGRAPH (I) OF THIS PARAGRAPH".

On page 2, in line 2, after "DISCLOSE" insert ", BY ITS TERMS OR BY NOTICE"; after line 14, insert:

"(F) THE AMOUNT OF A LATE FEE INCLUDED IN A CONSUMER CONTRACT PURSUANT TO THIS SECTION MAY BE UP TO \$10 PER MONTH, OR UP TO 10% PER MONTH OF THE PAYMENT AMOUNT THAT IS PAST DUE, WHICHEVER IS GREATER.

(G) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, A LATE FEE INCLUDED IN A CONSUMER CONTRACT PURSUANT TO THIS SECTION MAY NOT BE IMPOSED UNTIL 10 DAYS AFTER THE DATE THE BILL WAS RENDERED FOR THE GOODS OR SERVICES PROVIDED.

(2) IF A BILL IS NOT RENDERED, A LATE FEE INCLUDED IN A CONSUMER CONTRACT PURSUANT TO THIS SECTION MAY NOT BE IMPOSED UNTIL 10 DAYS AFTER THE PAYMENT AMOUNT BECOMES DUE.

(H) A LATE FEE IMPOSED UNDER THIS SECTION IS SUBJECT TO ANY ADDITIONAL LIMITATIONS OR CONDITIONS PRESCRIBED BY ANY FEDERAL, STATE, OR LOCAL REGULATORY AGENCY OR AUTHORITY HAVING JURISDICTION OVER ENTITIES IMPOSING LATE FEES REGULATED BY THIS SECTION.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Commercial Law

14-1315.

[(f) The amount of a late fee included in a consumer contract pursuant to this section may be up to \$10 per month, or up to 10% per month of the payment amount that is past due, whichever is greater.]

(F) (1) A LATE FEE INCLUDED IN A CONSUMER CONTRACT PURSUANT TO THIS SECTION IS SUBJECT TO ONE OF THE FOLLOWING LIMITATIONS:

(I) 1. THE AMOUNT OF THE LATE FEE MAY BE UP TO \$10 PER MONTH, OR UP TO 10% PER MONTH OF THE PAYMENT AMOUNT THAT IS PAST DUE, WHICHEVER IS GREATER; AND

2. NO MORE THAN 3 MONTHLY LATE FEES MAY BE IMPOSED FOR ANY SINGLE PAYMENT AMOUNT THAT IS PAST DUE, REGARDLESS OF THE PERIOD DURING WHICH THE PAYMENT REMAINS PAST DUE; OR

(II) THE AMOUNT OF THE LATE FEE MAY BE UP TO 1.5% PER MONTH OF THE PAYMENT AMOUNT THAT IS PAST DUE.

(2) THE AMOUNT OF THE LATE FEE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE DISCLOSED, IN THE CONSUMER CONTRACT OR BY NOTICE, IN SIZE EQUAL TO AT LEAST 10-POINT BOLD TYPE.

(Over)

Article - Real Property

11B-112.1.

THE BYLAWS OF A HOMEOWNERS ASSOCIATION MAY PROVIDE FOR A LATE CHARGE OF \$15 OR ONE-TENTH OF THE TOTAL AMOUNT OF ANY DELINQUENT ASSESSMENT OR INSTALLMENT, WHICHEVER IS GREATER, PROVIDED THE CHARGE MAY NOT BE IMPOSED MORE THAN ONCE FOR THE SAME DELINQUENT PAYMENT AND MAY BE IMPOSED ONLY IF THE DELINQUENCY HAS CONTINUED FOR AT LEAST 15 CALENDAR DAYS."

AMENDMENT NO. 3

On page 2, strike in their entirety lines 15 through 17, inclusive; after line 20, insert:

"SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall apply to any case pending or filed on or after June 1, 2000, but may not be applied to any case for which a final judgment has been rendered and for which appeals have been exhausted prior to June 1, 2000.

SECTION 5. AND BE IT FURTHER ENACTED, That if any provision of this Act or the application thereof to any person or circumstance is held invalid for any reason in a court of competent jurisdiction, the invalidity does not affect other provisions or any other application of this Act which can be given effect without the invalid provision or application, and for this purpose the provisions of this Act are declared severable.

SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2000."; in line 21, strike "4." and substitute "7."; and in the same line, after "That" insert ", except as provided in Section 6 of this Act."