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By: **Delegates Malone and McIntosh**

Introduced and read first time: February 27, 2001

Assigned to: Rules and Executive Nominations

Re-referred to: Commerce and Government Matters, March 5, 2001

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2001

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Collection Agencies - Exemption from Regulation**

3 FOR the purpose of exempting from regulation under the collection agency law a  
4 certain person who is collecting a debt for another person under certain  
5 circumstances; defining certain terms; and generally relating to the scope of  
6 regulation of the collection agency law.

7 BY repealing and reenacting, with amendments,  
8 Article - Business Regulation  
9 Section 7-102  
10 Annotated Code of Maryland  
11 (1998 Replacement Volume and 2000 Supplement)

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

14 **Article - Business Regulation**

15 7-102.

16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
17 INDICATED.

18 (2) "COMMON OWNERSHIP" MEANS DIRECT OR INDIRECT OWNERSHIP  
19 OF MORE THAN 50% OF A PERSON.

1           (3)     "PRINCIPAL BUSINESS" MEANS A BUSINESS ACTIVITY OF A PERSON  
 2 THAT COMPRISES MORE THAN 50% OF THE TOTAL BUSINESS ACTIVITIES OF THE  
 3 PERSON.

4     (B)     This title does not apply to:

5           (1)     a bank;

6           (2)     a federal or State credit union;

7           (3)     a mortgage lender;

8           (4)     a person acting under an order of a court of competent jurisdiction;

9           (5)     a licensed real estate broker, or an individual acting on behalf of the  
 10 real estate broker, in the collection of rent or allied charges for property;

11          (6)     a savings and loan association;

12          (7)     a title company as to its escrow business;

13          (8)     a trust company; [or]

14          (9)     a lawyer who is collecting a debt for a client, unless the lawyer has an  
 15 employee who:

16                 (i)     is not a lawyer; and

17                 (ii)    is engaged primarily to solicit debts for collection or primarily  
 18 makes contact with a debtor to collect or adjust a debt through a procedure identified  
 19 with the operation of a collection agency; OR

20          (10)    A PERSON WHO IS COLLECTING A DEBT FOR ANOTHER PERSON IF:

21                 (I)     BOTH PERSONS ARE RELATED BY COMMON OWNERSHIP ~~OR~~  
 22 ~~AFFILIATED BY CORPORATE CONTROL;~~

23                 (II)    THE PERSON ~~ACTING AS A DEBT COLLECTOR WHO IS~~  
 24 ~~COLLECTING A DEBT DOES SO ONLY FOR THOSE PERSONS TO WHOM IT IS RELATED~~  
 25 ~~BY COMMON OWNERSHIP OR AFFILIATED BY CORPORATE CONTROL; AND~~

26                 (III)   THE PRINCIPAL BUSINESS OF THE PERSON ~~ACTING AS A DEBT~~  
 27 ~~COLLECTOR WHO IS COLLECTING A DEBT IS NOT THE COLLECTION OF DEBTS; AND~~

28                 (IV)   BEFORE COLLECTING A DEBT, THE PERSON FILES WITH THE  
 29 BOARD:

30                         1.     THE CORRECT NAME OF THE PERSON;

31                         2.     AN ADDRESS AND TELEPHONE NUMBER OF A CONTACT  
 32 PERSON; AND

