

SENATE BILL 873

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2001 Regular Session
(1r2955)

ENROLLED BILL
-- Finance/Commerce and Government Matters --

Introduced by **Senator DeGrange**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

President.

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:

1

Article - Business Regulation

2 7-102.

3 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
 4 INDICATED.

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

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

10 (B) This title does not apply to:

11 (1) a bank;

12 (2) a federal or State credit union;

13 (3) a mortgage lender;

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

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

17 (6) a savings and loan association;

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

19 (8) a trust company; [or]

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

22 (i) is not a lawyer; and

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

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

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

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

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

3 (IV) BEFORE COLLECTING A DEBT, THE PERSON FILES WITH THE
4 BOARD:

5 1. THE CORRECT NAME OF THE PERSON;

6 2. AN ADDRESS AND TELEPHONE NUMBER OF A CONTACT
7 PERSON; AND

8 3. THE NAME OF THE PERSON'S RESIDENT AGENT.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 June 1, 2001.