

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Revised

House Bill 1403 (Delegates Malone and McIntosh)

Commerce and Government Matters

Finance

Collection Agencies - Exemption from Regulation

This bill exempts from the scope of the Maryland Collection Agency Licensing Act a person who is collecting a debt for another person if:

- both persons are related by “common ownership;”
- the person who is collecting a debt does so only for those persons to whom it is related by “common ownership;”
- the “principal business” of the person who is collecting a debt is not the collection of debts; and
- before collecting a debt, the person files his or her name, address, telephone number, and resident agent with the State Collection Agency Licensing Board.

“Common ownership” means direct or indirect ownership of more than 50% of a person and “principal business” is the business activity of a person that comprises more than 50% of the person’s total business activities.

The bill is effective June 1, 2001.

Fiscal Summary

State Effect: The bill would not substantively change State activities or operations.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: There are nine exemptions from regulation under the collection agency law including banks, credit unions, mortgage lenders, and title companies.

Additional Information

Prior Introductions None.

Cross File: SB 873 (Senator DeGrange) – Finance.

Information Source(s): Department of Labor, Licensing and Regulation; Department of Legislative Services

Fiscal Note History: First Reader – March 14, 2001
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Analysis by: Brian D. Baugus

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510