

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE**Revised**

Senate Bill 346

(Chairman, Finance Committee)

Finance

Commerce and Government Matters

**Commissioner of Financial Regulation and the Banking Board - Sunset
Extension and Program Evaluation**

This bill extends the sunset date for provisions of the Financial Institutions Article related to the Office of the Commissioner of Financial Regulation and the Banking Board from July 1, 2002 to July 1, 2012 and requires an evaluation of the commissioner's office and the board by July 1, 2011. The bill also requires the commissioner to report annually on: (1) the operations of the commissioner's office; (2) amendments proposed by the commissioner to the laws that the commissioner administers; (3) licensee failures; (4) a summary of the composite ratings of banking institutions and State-chartered credit unions; and (5) a breakdown by license category of the number of penalties assessed and instances of consumer recovery.

Fiscal Summary

State Effect: State revenues and expenditures would be maintained because the bill proposes to continue the Commissioner of Financial Regulation and the Banking Board beyond FY 2002. The proposed FY 2002 budget assumes general fund revenues for the commissioner's office of approximately \$7.2 million and includes approximately \$4.2 million in general fund expenditures for the activities of the commissioner and board. Out-year revenues and expenditures are expected to remain relatively constant. The commissioner can handle the bill's reporting requirements with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The Office of the Commissioner of Financial Regulation and the Banking Board sunset July 1, 2002. No provision requires the commissioner to report on the activities of the commissioner's office or of licensees.

Background: The Office of the Commissioner of Financial Regulation is responsible for licensing, regulating, examining, and investigating mortgage lenders, consumer loan companies, sales finance companies, installment loan lenders, credit reporting agencies, and debt collection agencies. The office also regulates money transmitters, and State-chartered commercial banks, trust companies, mutual savings banks, and credit unions.

The office is subject to the Maryland Program Evaluation Act, also known as the "sunset law," which provides a system of periodic legislative review of the regulatory, licensing, and other governmental activities of various units of State government.

The bill arises out of the sunset evaluation of The Office of the Commissioner of Financial Regulation and the Banking Board performed by the Department of Legislative Services (DLS) during 2000. In its report, DLS recommended that the authority be continued and its termination date be extended to July 1, 2012. In addition, DLS recommended that the commissioner report on the items enumerated in the bill.

Additional Information

Prior Introductions: None.

Cross File: HB 449 (Chairman, Commerce and Government Matters Committee) – Commerce and Government Matters.

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

Fiscal Note History: First Reader – February 2, 2001
ncs/jr Revised – Senate Third Reader – March 22, 2001

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