

**Department of Legislative Services**  
Maryland General Assembly  
2002 Session

**FISCAL NOTE**

House Bill 1139 (Delegate Howard)  
Commerce and Government Matters

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**Commercial Law - Consumer Debt Collection - Consumer Transactions  
Involving Health Care Services**

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This bill prohibits a debt collector, under the Maryland Consumer Debt Collection Act, from reporting to a consumer reporting agency information about an alleged debt arising out of a consumer transaction that involves a health care service unless the debtor: (1) has been notified by the collector by certified mail of the remaining balance of the alleged debt; and (2) has been given 60 days to investigate the accuracy of the balance and pay it.

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**Fiscal Summary**

**State Effect:** None. Assuming that the Consumer Protection Division receives fewer than 50 complaints per year stemming from this bill, any additional workload could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** Under the Maryland Consumer Debt Collection Act, a debt collector may not disclose or threaten to disclose information that affects the debtor's reputation for credit worthiness with the knowledge that the information is false. A debt collector who violates a provision of the act is liable for any damages proximately caused by the violation, including damages for emotional distress or mental anguish suffered with or

without accompanying physical injury. Violation of the act is considered an unfair and deceptive trade practice.

**Background:** The Consumer Protection Division within the Office of the Attorney General is responsible for pursuing unfair and deceptive trade practice claims. The division may attempt conciliation, issue cease and desist orders, or seek action in court, including an injunction, to enforce the Maryland Consumer Protection Act.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Office of the Attorney General (Consumer Protection Division); Department of Legislative Services

**Fiscal Note History:** First Reader - March 13, 2002  
mam/mdr

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