# **SENATE BILL 831**

## I3, D3

2lr1881 CF 2lr1764

#### By: **Senators Ramirez, Frosh, Forehand, and Gladden** Introduced and read first time: February 3, 2012 Assigned to: Finance

# A BILL ENTITLED

## 1 AN ACT concerning

# 2 Commercial Law - Consumer Protection - Credit Counseling and Legal 3 Assistance Fund

4 FOR the purpose of establishing the Credit Counseling and Legal Assistance Fund as  $\mathbf{5}$ a special, nonlapsing fund; specifying the purpose of the Fund; requiring the 6 Division of Consumer Protection in the Office of the Attorney General to 7 administer the Fund; requiring the Division to adopt certain regulations; requiring the State Treasurer to hold the Fund and the Comptroller to account 8 9 for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and 10 expenditures from the Fund: requiring the State Court Administrator to collect 11 12certain fees and pay the fees into the Fund; providing that investment earnings 13 of the Fund do not accrue to the General Fund; defining a certain term; and 14generally relating to the Credit Counseling and Legal Assistance Fund.

- 15 BY adding to
- 16 Article Commercial Law
- 17 Section 13–207
- 18 Annotated Code of Maryland
- 19 (2005 Replacement Volume and 2011 Supplement)
- 20 BY adding to
- 21 Article Courts and Judicial Proceedings
- 22 Section 7–202(g) and 7–301(g)
- 23 Annotated Code of Maryland
- 24 (2006 Replacement Volume and 2011 Supplement)
- 25 BY repealing and reenacting, without amendments,
- 26 Article State Finance and Procurement
- 27 Section 6–226(a)(2)(i)
- 28 Annotated Code of Maryland

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [Brackets] indicate matter deleted from existing law.



1 (2009 Replacement Volume and 2011 Supplement)  $\mathbf{2}$ BY repealing and reenacting, with amendments, 3 Article – State Finance and Procurement Section 6–226(a)(2)(ii)62. and 63. 4 Annotated Code of Maryland  $\mathbf{5}$ (2009 Replacement Volume and 2011 Supplement) 6 7BY adding to 8 Article – State Finance and Procurement 9 Section 6-226(a)(2)(ii)64. 10 Annotated Code of Maryland (2009 Replacement Volume and 2011 Supplement) 11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 12MARYLAND, That the Laws of Maryland read as follows: 13 14Article – Commercial Law 13-207. 15IN THIS SECTION, "FUND" MEANS THE CREDIT COUNSELING AND 16(A) LEGAL ASSISTANCE FUND. 17 THERE IS A CREDIT COUNSELING AND LEGAL ASSISTANCE FUND. 18 **(B)** 19 **(C)** THE PURPOSE OF THE FUND IS TO RECEIVE AND DISTRIBUTE 20FUNDS TO QUALIFIED NONPROFIT ENTITIES THAT PROVIDE COUNSELING 21SERVICES AND LEGAL ASSISTANCE TO CONSUMERS RELATED TO CONSUMER 22**CREDIT AND DEBT COLLECTION.** 23(1) THE DIVISION SHALL ADMINISTER THE FUND. **(D)** 24(2) THE DIVISION SHALL ADOPT REGULATIONS TO CARRY OUT 25THIS SECTION, INCLUDING REGULATIONS THAT ESTABLISH: 26A PROCESS FOR APPLYING FOR A DISTRIBUTION OF **(I)** 27MONEY FROM THE FUND; AND 28**(II)** ELIGIBILITY REQUIREMENTS FOR THE RECEIPT OF A DISTRIBUTION OF MONEY FROM THE FUND. 2930 THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT **(E)** (1) SUBJECT TO §7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE. 31

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THE STATE TREASURER SHALL HOLD THE 1 (2) FUND  $\mathbf{2}$ SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND. THE FUND CONSISTS OF: 3 **(F)** MONEY DISTRIBUTED TO THE FUND UNDER §§ 7-202 AND 4 (1) 5 7-301 OF THE COURTS ARTICLE: 6 (2) **INVESTMENT EARNINGS OF THE FUND; AND** 7 ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED (3) 8 FOR THE BENEFIT OF THE FUND. THE FUND MAY BE USED ONLY TO PROVIDE FUNDING TO 9 (G) 10 NONPROFIT ENTITIES THAT PROVIDE COUNSELING SERVICES AND LEGAL 11 ASSISTANCE TO CONSUMERS RELATED TO CONSUMER CREDIT AND DEBT 12COLLECTION. THE STATE TREASURER SHALL INVEST THE MONEY OF THE 13 **(H)** (1) FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED. 1415(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO THE FUND. 16 17EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN **(I)** ACCORDANCE WITH THE STATE BUDGET. 18 19**(**J**)** MONEY EXPENDED FROM THE FUND FOR NONPROFIT ENTITIES 20THAT PROVIDE COUNSELING SERVICES AND LEGAL ASSISTANCE TO CONSUMERS 21IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING 22THAT OTHERWISE WOULD BE APPROPRIATED TO THESE ENTITIES. 23**Article - Courts and Judicial Proceedings** 247 - 202. THE STATE COURT ADMINISTRATOR SHALL: 25(G) **COLLECT A FILING FEE OF \$30 FROM A COLLECTION AGENCY** 26(1) ATTEMPTING TO COLLECT ON A CLAIM FOR UNPAID CONSUMER DEBT, AS 27DEFINED IN § 13–101 OF THE COMMERCIAL LAW ARTICLE; AND 28

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PAY THE FEE INTO THE CREDIT COUNSELING AND LEGAL 1 (2)  $\mathbf{2}$ ASSISTANCE FUND ESTABLISHED UNDER § 13–207 OF THE COMMERCIAL LAW 3 ARTICLE. 7 - 301. 4  $\mathbf{5}$ (G) THE STATE COURT ADMINISTRATOR SHALL: (1) 6 **COLLECT A FILING FEE OF \$30 FROM A COLLECTION AGENCY** 7ATTEMPTING TO COLLECT ON A CLAIM FOR UNPAID CONSUMER DEBT, AS DEFINED IN § 13–101 OF THE COMMERCIAL LAW ARTICLE; AND 8 9 (2) PAY THE FEE INTO THE CREDIT COUNSELING AND LEGAL ASSISTANCE FUND ESTABLISHED UNDER § 13–207 OF THE COMMERCIAL LAW 10 11 ARTICLE. **Article – State Finance and Procurement** 12136-226.14Notwithstanding any other provision of law, and unless (a) (2)(i) inconsistent with a federal law, grant agreement, or other federal requirement or with 15the terms of a gift or settlement agreement, net interest on all State money allocated 16 17by the State Treasurer under this section to special funds or accounts, and otherwise 18 entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State. 1920The provisions of subparagraph (i) of this paragraph do not (ii) 21apply to the following funds: 2262. Veterans Trust Fund; [and] 2363. Transportation Trust Fund; AND **64**. **CREDIT COUNSELING AND LEGAL ASSISTANCE** 24FUND. 2526SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 27October 1, 2012.