

SENATE BILL 884

I3, I1, I2

7lr2190
CF HB 1134

By: **Senators Rosapepe, Astle, Benson, Conway, Currie, DeGrange, Feldman, Ferguson, Guzzone, Kagan, Kasemeyer, Kelley, King, Klausmeier, Lee, Madaleno, Manno, McFadden, Middleton, Miller, Muse, Nathan-Pulliam, Peters, Pinsky, Ramirez, Robinson, Smith, Young, Zirkin, ~~and Zucker~~ Zucker, Mathias, and Oaks**

Introduced and read first time: February 3, 2017

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2017

CHAPTER _____

1 AN ACT concerning

2 **Maryland Financial Consumer Protection Commission**

3 FOR the purpose of establishing the Maryland Financial Consumer Protection
4 Commission; providing for the composition, chair, and staffing of the Commission;
5 prohibiting a member of the Commission from receiving certain compensation, but
6 authorizing the reimbursement of certain expenses; requiring the Commission to
7 study and make recommendations regarding certain matters; authorizing the
8 Commission to ~~hold public meetings across the State and~~ provide certain reports to
9 the Governor, the General Assembly, and the Maryland Congressional Delegation
10 under certain circumstances; requiring the Commission to report its findings and
11 recommendations to the Governor and the General Assembly on or before ~~a~~ certain
12 ~~date~~ dates; providing for the termination of this Act; and generally relating to the
13 Maryland Financial Consumer Protection Commission.

14 Preamble

15 WHEREAS, The financial crisis of 2008 created the worst worldwide economic
16 downturn since the Great Depression, leaving millions of Americans without jobs, pensions,
17 or homes; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 WHEREAS, The U.S. Congress concluded that the failures of the nation's financial
2 regulatory system were a major cause of the Great Recession; and

3 WHEREAS, To prevent future financial crises, the U.S. Congress enacted a number
4 of initiatives including the Dodd–Frank Wall Street Reform and Consumer Protection Act
5 of 2010 (Dodd–Frank Act); and

6 WHEREAS, The Dodd–Frank Act was designed to prevent the excessive risk–taking
7 that led to the financial crisis and provide commonsense protections for American families,
8 including the Consumer Financial Protection Bureau (CFPB) to prevent financial firms
9 from exploiting consumers; and

10 WHEREAS, Over the last 6 years, the CFPB has helped more than 27 million
11 consumers receive relief from illegal financial practices and has helped provide \$11.7 billion
12 in relief to consumers as a result of their enforcement actions; and

13 WHEREAS, Since the 2008 financial crisis, the Securities and Exchange
14 Commission has adopted new rules and increased enforcement to protect investors and
15 promote market integrity and stability; and

16 WHEREAS, Other federal agencies, including the Commodity Futures Trading
17 Commission, the Department of Education, the Department of Labor, the Federal Reserve
18 Board, and the Pension Benefit Guaranty Corporation, have adopted new regulations and
19 policies to protect pensions, investments, student loans, and other financial products and
20 services; and

21 WHEREAS, Various members of the new federal administration and the U.S.
22 Congress are proposing to repeal provisions of the Dodd–Frank Act and weaken other key
23 components of federal regulation of the financial services industry, thereby endangering
24 America's economic security and prosperity; and

25 WHEREAS, Efforts to reduce the transparency essential to healthy capital markets
26 and weaken the regulatory oversight needed to maintain the integrity of these markets
27 dramatically increase the risk of fraud, market manipulation, and financial crises, putting
28 all Americans at risk; now, therefore,

29 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
30 That:

31 (a) There is a Maryland Financial Consumer Protection Commission.

32 (b) The Commission consists of the following members:

33 (1) two members of the Senate of Maryland, appointed by the President of
34 the Senate;

1 (2) two members of the House of Delegates, appointed by the Speaker of
2 the House;

3 (3) ~~the Secretary of Labor, Licensing, and Regulation, or the Secretary's~~
4 Commissioner of Financial Regulation, or the Commissioner's designee;

5 (4) the Attorney General, or the Attorney General's designee; ~~and~~

6 (5) five members ~~of the public,~~ appointed jointly by the President of the
7 Senate and the Speaker of the House, as follows:

8 (i) one member of the public;

9 (ii) one representative of a consumer advocacy organization with
10 general knowledge about financial banking and lending services;

11 (iii) one representative of a financial institution operating in the
12 State;

13 (iv) one member with knowledge about the structure of the federal
14 financial regulatory system, including the units of the federal government with regulatory
15 oversight over the financial banking and lending industry; and

16 (v) one member with knowledge about:

17 1. federal laws and regulations that impact the financial
18 banking and lending industry; and

19 2. financial products and practices that impact consumers;
20 and

21 (6) two members, appointed by the Governor, as follows:

22 (i) one member of the public; and

23 (ii) one member with general knowledge about financial banking
24 and lending services in the State.

25 (c) The chair of the Commission shall be designated jointly by the President of
26 the Senate and the Speaker of the House.

27 (d) The Department of Legislative Services shall provide staff for the
28 Commission.

29 (e) A member of the Commission:

30 (1) may not receive compensation as a member of the Commission; but

1 (2) is entitled to reimbursement for expenses under the Standard State
2 Travel Regulations, as provided in the State budget.

3 (f) The Commission shall:

4 (1) assess the impact of potential changes to federal financial industry laws
5 and regulations, budgets, and policies, including changes to:

6 (i) the Dodd–Frank Wall Street Reform and Consumer Protection
7 Act;

8 (ii) the Consumer Financial Protection Bureau;

9 (iii) the Securities and Exchange Commission;

10 (iv) the Commodity Futures Trading Commission;

11 (v) the Pension Benefit Guaranty Corporation;

12 (vi) the Department of Labor;

13 (vii) the Federal Reserve Board; and

14 (viii) any other federal financial regulators; and

15 (2) provide recommendations for federal and State actions that will protect
16 residents of the State in financial transactions and when receiving financial services.

17 (g) The Commission may:

18 ~~(1) hold public meetings across the State to conduct its duties; and~~

19 ~~(2)~~ provide periodic reports and recommendations to the Governor, the
20 General Assembly, and the Maryland Congressional Delegation, as it deems appropriate.

21 (h) On or before December 31, 2017, and on or before December 31, 2018, the
22 Commission shall submit a report on its findings and recommendations, including any
23 legislative proposals, to the Governor and, in accordance with § 2–1246 of the State
24 Government Article, the General Assembly.

25 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
26 1, 2017. It shall remain effective for a period of ~~1 year~~ 2 years and 1 month and, at the end
27 of June 30, ~~2018~~ 2019, with no further action required by the General Assembly, this Act
28 shall be abrogated and of no further force and effect.