

HOUSE BILL 187

I1, C2

(8lr0104)

ENROLLED BILL

— *Economic Matters/Finance* —

Introduced by **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Financial Institutions – Nondepository Special Fund – Expansion**

3 FOR the purpose of requiring certain revenue, fees, and examination and investigation fees
4 and assessments relating to the licensure of collection agencies, consumer lenders,
5 installment lenders, sales finance companies, mortgage lenders, check cashing
6 services, and credit services businesses to be credited to the Nondepository Special
7 Fund; altering the composition and the purpose of the Fund; making conforming and
8 stylistic changes; and generally relating to financial regulation and the
9 Nondepository Special Fund.

10 BY adding to
11 Article – Business Regulation
12 Section 7–302.2
13 Annotated Code of Maryland

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.

Italics indicate opposite chamber/conference committee amendments.



1 (2015 Replacement Volume and 2017 Supplement)

2 BY adding to

3 Article – Financial Institutions

4 Section 11–203.3, 11–402.1, and 12–104.1

5 Annotated Code of Maryland

6 (2011 Replacement Volume and 2017 Supplement)

7 BY repealing and reenacting, with amendments,

8 Article – Financial Institutions

9 Section 11–503.2 and 11–610

10 Annotated Code of Maryland

11 (2011 Replacement Volume and 2017 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Business Regulation**

15 **7–302.2.**

16 (A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS
17 TITLE AND ANY OTHER FEE OR REVENUE RECEIVED BY THE BOARD UNDER THIS
18 TITLE SHALL BE:

19 (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND
20 ESTABLISHED UNDER § 11–610 OF THE FINANCIAL INSTITUTIONS ARTICLE; AND

21 (2) USED IN ACCORDANCE WITH § 11–610(C) OF THE FINANCIAL
22 INSTITUTIONS ARTICLE.

23 (B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE BOARD
24 SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE BOARD UNDER THIS
25 TITLE INTO THE GENERAL FUND OF THE STATE.

26 **Article – Financial Institutions**

27 **11–203.3.**

28 (A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS
29 SUBTITLE AND SUBTITLE 3 OF THIS TITLE AND ANY OTHER FEE OR REVENUE
30 RECEIVED BY THE COMMISSIONER UNDER THIS SUBTITLE SHALL BE:

31 (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND
32 ESTABLISHED UNDER § 11–610 OF THIS TITLE; AND

1 **(2) USED IN ACCORDANCE WITH § 11-610(C) OF THIS TITLE.**

2 **(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE**
3 **COMMISSIONER SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE**
4 **COMMISSIONER UNDER THIS SUBTITLE AND SUBTITLE 3 OF THIS TITLE INTO THE**
5 **GENERAL FUND OF THE STATE.**

6 **11-402.1.**

7 **(A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS**
8 **SUBTITLE AND ANY OTHER FEE, INVESTIGATION FEE OR ASSESSMENT, OR REVENUE**
9 **RECEIVED BY THE COMMISSIONER UNDER THIS SUBTITLE SHALL BE:**

10 **(1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND**
11 **ESTABLISHED UNDER § 11-610 OF THIS TITLE; AND**

12 **(2) USED IN ACCORDANCE WITH § 11-610(C) OF THIS TITLE.**

13 **(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE**
14 **COMMISSIONER SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE**
15 **COMMISSIONER UNDER THIS SUBTITLE INTO THE GENERAL FUND OF THE STATE.**

16 **11-503.2.**

17 (a) All revenue received for the licensing of persons under this subtitle and any
18 other fee, examination **OR INVESTIGATION FEE OR** assessment, or revenue received by
19 the Commissioner under this subtitle shall be:

20 **(1) Credited to the Nondepository Special Fund established under § 11-610**
21 **of this title; and**

22 **(2) Used in accordance with § 11-610(c) of this title.**

23 (b) Notwithstanding subsection (a) of this section, the Commissioner shall pay all
24 fines and penalties collected by the Commissioner under this subtitle into the General Fund
25 of the State.

26 **11-610.**

27 (a) There is a Nondepository Special Fund that consists of:

28 (1) Revenue received for the licensing of individuals under this subtitle;

1 **(2) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
2 **SUBTITLE 2 OF THIS TITLE;**

3 **(3) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
4 **SUBTITLE 3 OF THIS TITLE;**

5 **(4) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
6 **SUBTITLE 4 OF THIS TITLE;**

7 **[(2)] (5)** Revenue received for the licensing of persons under Subtitle 5 of
8 this title;

9 **(6) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
10 **TITLE 12, SUBTITLE 1 OF THIS ARTICLE;**

11 **[(3)] (7)** Revenue received for the licensing of persons under Title 12,
12 Subtitle 4 of this article;

13 **[(4)] (8)** Revenue received for the licensing of persons under Title 12,
14 Subtitle 9 of this article;

15 **[(5)] (9)** Revenue received for the registration of persons under Title 12,
16 Subtitle 10 of this article;

17 **(10) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
18 **TITLE 7 OF THE BUSINESS REGULATION ARTICLE;**

19 **(11) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER**
20 **TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE;**

21 **[(6)] (12)** Income from the investments that the State Treasurer makes for
22 the Fund; and

23 **[(7)] (13) (I)** Any other fee, examination **OR INVESTIGATION FEE OR**
24 assessment, or revenue received by the Commissioner under this subtitle, **[Subtitle]**
25 **SUBTITLES 2, 3, 4, AND 5** of this title, **[and]** Title 12, Subtitles **1, 4, 9, and 10** of this
26 article, **AND TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE; AND**

27 **(II) ANY OTHER FEE OR REVENUE RECEIVED BY THE STATE**
28 **COLLECTION AGENCY LICENSING BOARD UNDER TITLE 7 OF THE BUSINESS**
29 **REGULATION ARTICLE.**

30 (b) Notwithstanding subsection (a) of this section[, the]:

1 (1) THE Commissioner shall pay all fines and penalties collected by the
2 Commissioner under TITLE 2, SUBTITLE 1 OF THIS ARTICLE, this subtitle, [Subtitle]
3 **SUBTITLES 2, 3, 4, AND 5** of this title, [and] Title 12, Subtitles 1, 4, 9, and 10 of this
4 article, **AND TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE** into the
5 General Fund of the State; **AND**

6 (2) **THE COLLECTION AGENCY LICENSING BOARD SHALL PAY ALL**
7 **FINES AND PENALTIES COLLECTED BY THE BOARD UNDER TITLE 7 OF THE**
8 **BUSINESS REGULATION ARTICLE INTO THE GENERAL FUND OF THE STATE.**

9 (c) The purpose of the Fund is to cover the direct and indirect costs of fulfilling
10 the statutory and regulatory duties of the Commissioner AND THE STATE COLLECTION
11 AGENCY LICENSING BOARD related to:

12 (1) TITLE 2, SUBTITLE 1 OF THIS ARTICLE;

13 ~~(2)~~ This subtitle;

14 ~~(2)~~ ~~(3)~~ SUBTITLE 2 OF THIS TITLE;

15 ~~(3)~~ ~~(4)~~ SUBTITLE 3 OF THIS TITLE;

16 ~~(4)~~ ~~(5)~~ SUBTITLE 4 OF THIS TITLE;

17 [(2)] ~~(5)~~ ~~(6)~~ Subtitle 5 of this title;

18 ~~(6)~~ ~~(7)~~ TITLE 12, SUBTITLE 1 OF THIS ARTICLE;

19 [(3)] ~~(7)~~ ~~(8)~~ Title 12, Subtitle 4 of this article;

20 [(4)] ~~(8)~~ ~~(9)~~ Title 12, Subtitle 9 of this article;

21 [(5)] ~~(9)~~ ~~(10)~~ Title 12, Subtitle 10 of this article; [and]

22 ~~(10)~~ ~~(11)~~ TITLE 7 OF THE BUSINESS REGULATION ARTICLE;

23 ~~(11)~~ ~~(12)~~ TITLE 12, SUBTITLES 5, 6, 9, AND 10 OF THE COMMERCIAL
24 LAW ARTICLE;

25 ~~(13)~~ TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE; ~~AND~~

26 ~~(14)~~ TITLE 7, SUBTITLES 1, 3, 4, AND 5 OF THE REAL PROPERTY
27 ARTICLE; AND

1 ~~[(6)]~~ ~~(12)~~ (15) Any other expense authorized in the State budget.

2 (d) (1) The annual State budget shall include the costs and expenses of the
3 Commissioner AND THE STATE COLLECTION AGENCY LICENSING BOARD relating to
4 SUBSECTION (C) OF THIS SECTION ~~the regulation of mortgage lending, mortgage~~
5 ~~origination, money transmission, debt management services, and debt settlement services.~~

6 (2) Any expenditures from the Fund to cover costs and expenses of the
7 Commissioner AND THE STATE COLLECTION AGENCY LICENSING BOARD RELATING
8 TO SUBSECTION (C) OF THIS SECTION may be made only:

9 (i) With an appropriation from the Fund approved by the General
10 Assembly in the annual State budget; or

11 (ii) By the budget amendment procedure provided for in § 7-209 of
12 the State Finance and Procurement Article.

13 (3) If, in any fiscal year, the amount of the revenue collected by the
14 Commissioner AND THE STATE COLLECTION AGENCY LICENSING BOARD and
15 deposited into the Fund exceeds the actual appropriation for the Commissioner AND THE
16 STATE COLLECTION AGENCY LICENSING BOARD UNDER PARAGRAPH (2)(1) OF THIS
17 SUBSECTION, to regulate CONSUMER LOANS UNDER SUBTITLE 2 OF THIS TITLE;
18 INSTALLMENT LOANS UNDER SUBTITLE 3 OF THIS TITLE; SALES FINANCE
19 COMPANIES UNDER SUBTITLE 4 OF THIS TITLE; mortgage lending under Subtitle 5 of
20 this title; mortgage origination under this subtitle; CHECK CASHING SERVICES UNDER
21 TITLE 12, SUBTITLE 1 OF THIS ARTICLE; money transmission under Title 12, Subtitle 4
22 of this article; debt management services under Title 12, Subtitle 9 of this article; [and]
23 debt settlement services under Title 12, Subtitle 10 of this article; COLLECTION AGENCIES
24 UNDER TITLE 7 OF THE BUSINESS REGULATION ARTICLE; AND CREDIT SERVICES
25 BUSINESSES UNDER TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE;
26 the excess amount shall be carried forward within the Fund.

27 (e) (1) The State Treasurer is the custodian of the Fund.

28 (2) The State Treasurer shall deposit payments received from the
29 Commissioner into the Fund.

30 (f) (1) (i) The Fund is a special, nonlapsing fund that is not subject to §
31 7-302 of the State Finance and Procurement Article.

32 (ii) The Fund may not be deemed a part of the General Fund of the
33 State.

34 (2) Unless otherwise provided by law, no part of the Fund may revert or be
35 credited to:

- 1 (i) The General Fund of the State; or
- 2 (ii) Any other special fund of the State.

3 **12-104.1.**

4 (A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS
5 SUBTITLE AND ANY OTHER FEE OR REVENUE RECEIVED BY THE COMMISSIONER
6 UNDER THIS SUBTITLE SHALL BE:

7 (1) CREDITED TO THE NONDEPOSITORY SPECIAL FUND
8 ESTABLISHED UNDER § 11-610 OF THIS ARTICLE; AND

9 (2) USED IN ACCORDANCE WITH § 11-610(C) OF THIS ARTICLE.

10 (B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE
11 COMMISSIONER SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE
12 COMMISSIONER UNDER THIS SUBTITLE INTO THE GENERAL FUND OF THE STATE.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~
14 June 1, 2018.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.