

SENATE BILL 6

I1, C2

(PRE-FILED)

8lr0075

CF 8lr0104

By: Chair, Finance Committee (By Request – Departmental – Labor, Licensing and Regulation)

Requested: September 18, 2017

Introduced and read first time: January 10, 2018

Assigned to: Finance

A BILL ENTITLED

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
14 (2015 Replacement Volume and 2017 Supplement)

15 BY adding to

16 Article – Financial Institutions
17 Section 11-203.3, 11-402.1, and 12-104.1
18 Annotated Code of Maryland
19 (2011 Replacement Volume and 2017 Supplement)

20 BY repealing and reenacting, with amendments,

21 Article – Financial Institutions
22 Section 11-503.2 and 11-610
23 Annotated Code of Maryland
24 (2011 Replacement Volume and 2017 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 That the Laws of Maryland read as follows:

2 **Article – Business Regulation**

3 **7-302.2.**

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

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

9 **(2) USED IN ACCORDANCE WITH § 11-610(C) OF THE FINANCIAL**
10 **INSTITUTIONS ARTICLE.**

11 **(B) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, THE BOARD**
12 **SHALL PAY ALL FINES AND PENALTIES COLLECTED BY THE BOARD UNDER THIS**
13 **TITLE INTO THE GENERAL FUND OF THE STATE.**

14 **Article – Financial Institutions**

15 **11-203.3.**

16 **(A) ALL REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER THIS**
17 **SUBTITLE AND SUBTITLE 3 OF THIS TITLE AND ANY OTHER FEE OR REVENUE**
18 **RECEIVED BY THE COMMISSIONER UNDER THIS SUBTITLE SHALL BE:**

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

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

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

26 **11-402.1.**

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

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

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

7 11-503.2.

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

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

13 (2) Used in accordance with § 11–610(c) of this title.

17 11-610.

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

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

20 (2) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER
21 SUBTITLE 2 OF THIS TITLE;

22 (3) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER
23 SUBTITLE 3 OF THIS TITLE;

24 (4) REVENUE RECEIVED FOR THE LICENSING OF PERSONS UNDER
25 SUBTITLE 4 OF THIS TITLE;

26 [(2)] (5) Revenue received for the licensing of persons under Subtitle 5 of
27 this title;

1 **[(3)] (7)** Revenue received for the licensing of persons under Title 12,
2 Subtitle 4 of this article;

3 **[(4)] (8)** Revenue received for the licensing of persons under Title 12,
4 Subtitle 9 of this article;

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

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

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

11 **[(6)] (12)** Income from the investments that the State Treasurer makes for
12 the Fund; and

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

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

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

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

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

28 (c) The purpose of the Fund is to cover the direct and indirect costs of fulfilling
29 the statutory and regulatory duties of the Commissioner related to:

30 (1) This subtitle;

31 **(2) SUBTITLE 2 OF THIS TITLE;**

(3) SUBTITLE 3 OF THIS TITLE;

(4) SUBTITLE 4 OF THIS TITLE;

[(2)] (5) Subtitle 5 of this title;

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

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

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

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

(10) TITLE 7 OF THE BUSINESS REGULATION ARTICLE;

(11) TITLE 14, SUBTITLE 19 OF THE COMMERCIAL LAW ARTICLE; AND

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

(d) (1) The annual State budget shall include the costs and expenses of the Commissioner relating to the regulation of mortgage lending, mortgage origination, money transmission, debt management services, and debt settlement services.

14 (2) Any expenditures from the Fund to cover costs and expenses of the
15 Commissioner may be made only:

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

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

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

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

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

(ii) The Fund may not be deemed a part of the General Fund of the

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

(i) The General Fund of the State; or

(ii) Any other special fund of the State.

12 12-104.1.

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

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 8