HOUSE BILL 957

By: **Delegate Conaway** Introduced and read first time: February 2, 2021 Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

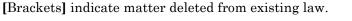
Business Regulation - Pawnbrokers and Pawn Transactions - Conversion of Interest Into Fees

- FOR the purpose of prohibiting a pawnbroker, or other lending agent acting on behalf of a
 pawnbroker, from converting interest charged on a pawn transaction into a fee
 collectible by the pawnbroker; establishing that each occurrence of a fee charged in
 violation of this Act within a pawn transaction shall constitute a separate offense
 under a certain statutory penalty provision; providing for the application of this Act;
 and generally relating to pawnbrokers and pawn transactions.
- 10 BY adding to
- 11 Article Business Regulation
- 12 Section 12–105
- 13 Annotated Code of Maryland
- 14 (2015 Replacement Volume and 2020 Supplement)
- 15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 16 That the Laws of Maryland read as follows:
- 17

Article – Business Regulation

- 18 **12–105.**
- 19 (A) NOTWITHSTANDING § 12–102(C) OF THIS SUBTITLE, THIS SECTION 20 APPLIES TO:
- 21 (1) ANY PAWNBROKER WHO CONDUCTS BUSINESS IN THE STATE; AND
- 22 (2) ANY PAWN TRANSACTION MADE IN THE STATE.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.







1 (B) A PAWNBROKER, OR ANY OTHER LENDING AGENT ACTING ON BEHALF 2 OF A PAWNBROKER, MAY NOT CONVERT INTEREST CHARGED ON A PAWN 3 TRANSACTION INTO A FEE COLLECTIBLE BY THE PAWNBROKER.

4 (C) WHEN IMPOSING A PENALTY FOR A VIOLATION OF THIS SECTION UNDER 5 § 12–502 OF THIS TITLE, EACH OCCURRENCE OF A FEE CHARGED IN VIOLATION OF 6 THIS SECTION WITHIN A PAWN TRANSACTION SHALL CONSTITUTE A SEPARATE 7 OFFENSE.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 9 October 1, 2021.