

HOUSE BILL 958

C2

1lr2685

By: **Delegate Conaway**

Introduced and read first time: February 2, 2021

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Pawnbrokers and Pawn Transactions – Limitation on**
3 **Conversion of Interest to Fees**

4 FOR the purpose of prohibiting a pawnbroker, or other lending agent acting on behalf of a
5 pawnbroker, from converting more than a certain percentage of interest charged on
6 a pawn transaction into a fee collectible by the pawnbroker within a certain period
7 of time within the term of the pawn transaction; establishing that each occurrence
8 of a certain violation constitutes a separate offense for the purpose of imposing a
9 certain penalty; providing for the application of this Act; and generally relating to
10 pawnbrokers and pawn transactions.

11 BY adding to
12 Article – Business Regulation
13 Section 12–105
14 Annotated Code of Maryland
15 (2015 Replacement Volume and 2020 Supplement)

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

18 **Article – Business Regulation**

19 **12–105.**

20 **(A) NOTWITHSTANDING § 12–102(C) OF THIS SUBTITLE, THIS SECTION**
21 **APPLIES TO ANY:**

22 **(1) PAWNBROKER WHO CONDUCTS BUSINESS IN THE STATE; AND**

23 **(2) PAWN TRANSACTION MADE IN THE STATE.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(B) A PAWNBROKER, OR OTHER LENDING AGENT ACTING ON BEHALF OF A**
2 **PAWNBROKER, MAY CONVERT NOT MORE THAN 10% OF INTEREST CHARGED ON A**
3 **PAWN TRANSACTION INTO A FEE COLLECTIBLE BY THE PAWNBROKER WITHIN A**
4 **30-DAY PERIOD, BEGINNING ON THE DATE OF THE CONVERSION, WITHIN THE TERM**
5 **OF THE PAWN TRANSACTION.**

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

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