

# HOUSE BILL 968

C2

11r2565

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By: **Delegate Conway**

Introduced and read first time: February 2, 2021

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Pawnbrokers and Pawn Transactions – Interest and Fees**

3 FOR the purpose of prohibiting a pawnbroker, or other lending agent acting on behalf of a  
4 pawnbroker, from converting interest charged on a pawn transaction into a fee  
5 collectible by the pawnbroker and concurrently assessing an additional interest  
6 charge on the pawn transaction; establishing that each occurrence of a fee charged  
7 in violation of this Act within a pawn transaction constitutes a separate offense  
8 under a certain statutory penalty provision; providing for the application of this Act;  
9 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 ANY:**

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

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

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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 NOT:**

3                   **(1) CONVERT INTEREST CHARGED ON A PAWN TRANSACTION INTO A**  
4 **FEE COLLECTIBLE BY THE PAWNBROKER; AND**

5                   **(2) CONCURRENTLY ASSESS AN ADDITIONAL INTEREST CHARGE ON**  
6 **THE PAWN TRANSACTION.**

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

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