

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 251
Economic Matters

(Delegate Palakovich Carr)

Consumer Protection - Maryland Consumer Reporting Act - Registration of
Consumer Reporting Agencies and Regulations

This bill authorizes the Office of the Commissioner of Financial Regulation (OCFR) to deny, refuse to renew, suspend, or revoke the registration of a consumer reporting agency under specified circumstances. In addition, the bill requires OCFR to adopt regulations related to consumer reporting agencies that include procedures for (1) developing standards for achieving accuracy in matching personally identifiable information; (2) developing a system for the exclusion of duplicate, outdated, sealed, and expunged public records; and (3) tracking and addressing the causes of consumer complaints regarding inaccuracies in consumer reports.

Fiscal Summary

State Effect: OCFR can handle the bill's enforcement changes and adopt the regulations with existing resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The bill authorizes OCFR to deny, refuse to renew, suspend, or revoke the registration of a consumer reporting agency if the commissioner determines that the consumer reporting agency has:

- provided materially incorrect, misleading, incomplete, or false information in connection with the registration process;
- committed fraud while acting as a consumer reporting agency;
- failed to comply with the bill’s requirements or any rule or regulation adopted in accordance with the bill;
- violated any federal or state law, regulation, or subpoena;
- violated an order of the commissioner or a relevant federal agency;
- had a consumer reporting agency registration (or the equivalent) denied, suspended, or revoked in another jurisdiction.

Before revoking or suspending a registration in accordance with the bill, the commissioner must give the consumer reporting agency notice and hold a hearing (but no sooner than 15 days after notice is given). If the commissioner revokes or suspends a registration, the commissioner must give immediate notice to the consumer reporting agency; any such revocation or suspension takes effect immediately.

Current Law: Consumer reporting agencies must register each year with OCFR. OCFR must adopt regulations necessary to administer provisions of State law related to consumer credit reporting agencies. The regulations must include procedures for:

- achieving accuracy in information collected and maintained in consumer files;
- developing a system to facilitate correction of information in a consumer file at each credit reporting agency on correction at one consumer reporting agency;
- periodically distributing to the public a current listing of the names, addresses, and telephone numbers of consumer reporting agencies that maintain information or provide consumer reports on residents of the State; and
- calculating required bond amounts.

Additional Information

Prior Introductions: HB 642 of 2021, a similar bill, received an unfavorable report from the House Economic Matters Committee.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

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Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510