

SB0496/173323/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 496
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “**Consumer Credit**”; and after line 19, insert:

“BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 12–1102

Annotated Code of Maryland

(2020 Replacement Volume and 2022 Supplement)

(As enacted by Section 1 of this Act)”.

AMENDMENT NO. 2

On page 10, in line 3, after “**PERCENTAGE**” insert “**RATE**”; and in line 4, after “**PROVIDER**” insert “**THAT ELECTS TO USE THE OPT-IN METHOD UNDER SUBSECTION (B)(3) OF THIS SECTION**”.

On page 20, after line 4, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Financial Institutions

12–1102.

This subtitle does not apply to:

(1) (i) A federal or State bank, credit union, or savings association; or

(ii) A subsidiary or affiliate of an organization listed in item (i) of this item;

(2) A person acting as a technology services provider to an entity exempt under this section for use as part of the entity's commercial financing program if the person does not have an interest, arrangement, or agreement to purchase any interest in the commercial financing extended by the entity in connection with the commercial financing program;

(3) A lender regulated under the federal Farm Credit Act;

(4) A commercial financing transaction secured by real property;

(5) A lease as defined in Article 2A of the Uniform Commercial Code;

(6) A provider or other person who makes not more than five commercial financing transactions in the State in a 12-month period;

(7) A commercial financing transaction more than \$2,500,000;

(8) A commercial financing transaction:

(i) In which the recipient is:

1. A dealer, or an affiliate of a dealer, as defined in § 11-111 of the Transportation Article; or

2. A rental vehicle company, or an affiliate of a rental vehicle company, as defined in § 18–108 of the Transportation Article; and

(ii) Made under a commercial financing agreement or commercial open–end credit plan of at least \$50,000, including a commercial loan made in accordance with the commercial financing transaction; [or]

(9) A commercial financing transaction that is a factoring transaction, an advance, or a similar transaction of accounts receivable owed to a health care provider because of a patient’s personal injury treated by the health care provider;

(10) AN ENTITY PRINCIPALLY ENGAGED IN THE BUSINESS OF MAKING COMMERCIAL FINANCING PRODUCTS IN CONNECTION WITH THE PURCHASE OR LEASE OF PRODUCTS MANUFACTURED OR DISTRIBUTED BY ITS DIRECT OR INDIRECT PARENT COMPANY OR ANY DIRECT OR INDIRECT SUBSIDIARY OF THE PARENT COMPANY; OR

(11) A PURCHASE–MONEY OBLIGATION AS DEFINED IN § 9–103 OF THE UNIFORM COMMERCIAL CODE.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) Section 2 of this Act is contingent on the adoption of regulations by the New York State Department of Financial Services exempting from the New York Commercial Financing Disclosure Law:

(1) an entity principally engaged in the business of making commercial financing products in connection with the purchase or lease of products manufactured or distributed by its direct or indirect parent company or any direct or indirect subsidiary of the parent company; and

(2) a purchase–money obligation as defined in § 9–103 of the Uniform Commercial Code.

(b) Within 10 days after the regulations specified under subsection (a) of this section are adopted, the Commissioner of Financial Regulation shall notify the Department of Legislative Services.

(c) If notice of the adoption of the regulations specified under subsection (a) of this section is received by the Department of Legislative Services on or before September 30, 2024, Section 2 of this Act shall take effect on the date the notice is received by the Department of Legislative Services in accordance with subsection (b) of this section.

(d) If notice of the adoption of the regulations specified under subsection (a) of this section is not received by the Department of Legislative Services on or before September 30, 2024, Section 2 of this Act, with no further action required by the General Assembly, shall be null and void.”;

in line 5, strike “2.” and substitute “4.”; and in the same line, after “That” insert “, subject to Section 3 of this Act.”.