

HOUSE BILL 661

I3, I4

4lr0583

By: **Delegate Charkoudian**

Introduced and read first time: January 25, 2024

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection and Debt Collection – Exemptions From Attachment and**
3 **Requirements on Judgment Creditors**

4 FOR the purpose of altering the amount of wages of a judgment debtor that are exempt
5 from attachment; establishing and altering certain requirements on judgment
6 creditors; making a violation of certain requirements on judgment creditors relating
7 to a judgment arising out of a consumer transaction an unfair, abusive, or deceptive
8 trade practice that is subject to enforcement and penalties under the Maryland
9 Consumer Protection Act; making certain conduct a prohibited debt collection
10 practice; and generally relating to consumer protection and debt collection.

11 BY repealing and reenacting, with amendments,
12 Article – Commercial Law
13 Section 13–301(14)(xl), 14–202, 15–601.1, and 15–605
14 Annotated Code of Maryland
15 (2013 Replacement Volume and 2023 Supplement)

16 BY repealing and reenacting, without amendments,
17 Article – Commercial Law
18 Section 13–301(14)(xli) and 14–201
19 Annotated Code of Maryland
20 (2013 Replacement Volume and 2023 Supplement)

21 BY adding to
22 Article – Commercial Law
23 Section 13–301(14)(xlii)
24 Annotated Code of Maryland
25 (2013 Replacement Volume and 2023 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Commercial Law

13–301.

Unfair, abusive, or deceptive trade practices include any:

(14) Violation of a provision of:

(xl) Title 14, Subtitle 13 of the Public Safety Article; [or]

(xli) Title 14, Subtitle 45 of this article; or

**(XLII) SECTION 15–605 OF THIS ARTICLE PERTAINING TO A
JUDGMENT ARISING OUT OF A CONSUMER TRANSACTION; OR**

14–201.

(a) In this subtitle the following words have the meanings indicated.

(b) “Collector” means a person collecting or attempting to collect an alleged debt arising out of a consumer transaction.

(c) “Consumer transaction” means any transaction involving a person seeking or acquiring real or personal property, services, money, or credit for personal, family, or household purposes.

(d) “Person” includes an individual, corporation, business trust, statutory trust, estate, trust, partnership, association, two or more persons having a joint or common interest, or any other legal or commercial entity.

14–202.

In collecting or attempting to collect an alleged debt a collector may not:

(1) Use or threaten force or violence;

(2) Threaten criminal prosecution, unless the transaction involved the violation of a criminal statute;

(3) Disclose or threaten to disclose information which affects the debtor’s reputation for credit worthiness with knowledge that the information is false;

(4) Except as permitted by statute, contact a person’s employer with respect to a delinquent indebtedness before obtaining final judgment against the debtor;

(5) Except as permitted by statute, disclose or threaten to disclose to a

1 person other than the debtor or his spouse or, if the debtor is a minor, his parent,
2 information which affects the debtor's reputation, whether or not for credit worthiness,
3 with knowledge that the other person does not have a legitimate business need for the
4 information;

5 (6) Communicate with the debtor or a person related to him with the
6 frequency, at the unusual hours, or in any other manner as reasonably can be expected to
7 abuse or harass the debtor;

8 (7) Use obscene or grossly abusive language in communicating with the
9 debtor or a person related to him;

10 (8) Claim, attempt, or threaten to enforce a right with knowledge that the
11 right does not exist;

12 (9) Use a communication which simulates legal or judicial process or gives
13 the appearance of being authorized, issued, or approved by a government, governmental
14 agency, or lawyer when it is not;

15 (10) Engage in unlicensed debt collection activity in violation of the
16 Maryland Collection Agency Licensing Act; [or]

17 (11) Engage in any conduct that violates §§ 804 through 812 of the federal
18 Fair Debt Collection Practices Act; OR

19 **(12) IF THE ALLEGED DEBT AND ASSOCIATED JUDGMENT ARISES OUT**
20 **OF A CONSUMER TRANSACTION, ENGAGE IN ANY CONDUCT THAT VIOLATES § 15-605**
21 **OF THIS ARTICLE.**

22 15-601.1.

23 (a) **(1)** In this section[, "disposable"] **THE FOLLOWING WORDS HAVE THE**
24 **MEANINGS INDICATED.**

25 **(2)** **"CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS IN THE**
26 **MID-ATLANTIC REGION"** **MEANS THE INDEX PUBLISHED MONTHLY BY THE BUREAU**
27 **OF LABOR STATISTICS OF THE U.S. DEPARTMENT OF LABOR THAT IS THE**
28 **MID-ATLANTIC U.S. CITY AVERAGE OF ALL ITEMS IN A BASKET OF CONSUMER**
29 **GOODS AND SERVICES.**

30 **(3)** **"DISPOSABLE wages"** means the part of wages that remain after
31 deduction of any amount required to be withheld by law.

32 (b) The following are exempt from attachment:

33 (1) The greater of:

1 (i) [75] 85 percent of the disposable wages due; or

2 (ii) [30 times the State minimum hourly wage in effect at the time
3 the wages are due, multiplied by the number of weeks during which the wages due were
4 earned] **\$750 OF WEEKLY DISPOSABLE WAGES, PLUS ANY INCREASE AS REQUIRED**
5 **UNDER SUBSECTION (D) OF THIS SECTION;** and

6 (2) Any medical insurance payment deducted from an employee's wages by
7 the employer.

8 (c) The amount [subject to] **EXEMPT FROM** attachment shall be calculated per
9 pay period.

10 **(D) (1) ON OR BEFORE MARCH 1, 2027, AND ON OR BEFORE MARCH 1**
11 **EVERY 3 YEARS THEREAFTER, THE COMPTROLLER SHALL DETERMINE AND**
12 **ANNOUNCE:**

13 **(I) THE PERCENTAGE GROWTH IN THE CONSUMER PRICE**
14 **INDEX FOR ALL URBAN CONSUMERS IN THE MID-ATLANTIC REGION, AS**
15 **DETERMINED BY COMPARING THE AVERAGE OF THE INDEX FOR THE 36 MONTHS**
16 **ENDING ON THE IMMEDIATELY PRECEDING DECEMBER 31 TO THE AVERAGE OF THE**
17 **INDEX FOR 36 MONTHS PRECEDING THAT TIME FRAME; AND**

18 **(II) THE AMOUNT EXEMPT FROM ATTACHMENT UNDER**
19 **SUBSECTION (B)(1)(II) OF THIS SECTION FOR THE 3-YEAR PERIOD BEGINNING ON**
20 **THE IMMEDIATELY FOLLOWING APRIL 1 AS DETERMINED BY THE COMPTROLLER**
21 **UNDER PARAGRAPH (2) OF THIS SUBSECTION.**

22 **(2) THE AMOUNT EXEMPT FROM ATTACHMENT UNDER SUBSECTION**
23 **(B)(1)(II) OF THIS SECTION SHALL BE INCREASED BY THE AMOUNT, ROUNDED TO**
24 **THE NEAREST \$5, THAT EQUALS THE PRODUCT OF:**

25 **(I) THE AMOUNT EXEMPT FROM ATTACHMENT UNDER**
26 **SUBSECTION (B)(1)(II) OF THIS SECTION IN EFFECT ON THE DATE OF THE**
27 **COMPTROLLER'S ANNOUNCEMENT UNDER PARAGRAPH (1) OF THIS SUBSECTION;**
28 **AND**

29 **(II) THE PERCENTAGE GROWTH IN THE CONSUMER PRICE**
30 **INDEX FOR ALL URBAN CONSUMERS IN THE MID-ATLANTIC REGION, AS**
31 **DETERMINED BY THE COMPTROLLER UNDER PARAGRAPH (1)(I) OF THIS**
32 **SUBSECTION.**

1 (a) Within 15 days after the end of each month **IN WHICH PAYMENT WAS**
2 **RECEIVED BY A JUDGMENT CREDITOR**, the judgment creditor shall furnish the
3 employer/garnishee and the judgment debtor a written statement showing [all payments
4 that were]:

5 (1) **EACH PAYMENT THAT WAS** credited to the account of the judgment
6 debtor during that month; **AND**

7 (2) **THE MANNER IN WHICH EACH PAYMENT WAS CREDITED.** [However,
8 this subsection shall not apply if no payments were received by the judgment creditor
9 during that month.]

10 (B) **THE JUDGMENT CREDITOR SHALL:**

11 (1) **RETAIN A COPY OF EACH STATEMENT TRANSMITTED UNDER**
12 **SUBSECTION (A) OF THIS SECTION UNTIL 90 DAYS AFTER THE TERMINATION OF THE**
13 **GARNISHMENT PROCEEDING; AND**

14 (2) **MAKE EACH STATEMENT AVAILABLE FOR INSPECTION ON**
15 **REQUEST BY ANY PARTY TO THE GARNISHMENT PROCEEDING OR BY THE COURT.**

16 [(b)] (C) [The] **WITHIN 15 DAYS AFTER THE SATISFACTION OF THE**
17 **JUDGMENT, INTEREST, AND COSTS, THE** judgment creditor shall [within 15 days after
18 the satisfaction of the judgment, interest, and costs notify]:

19 (1) **NOTIFY** in writing the employer/garnishee and the clerk of the court of
20 the satisfaction; **AND**

21 (2) **INCLUDE IN THE NOTIFICATION AN ITEMIZATION OF THE SUMS**
22 **RECEIVED BY THE JUDGMENT CREDITOR.**

23 [(c)] (D) All payments received by a judgment creditor shall be credited first
24 against the accrued interest on the unpaid balance of the judgment, if any, second upon the
25 principal amount of the judgment, and third upon those attorney's fees and costs actually
26 assessed in the cause **RELATED TO THE ACCOUNT OF THE JUDGMENT DEBTOR.**

27 [(d)] (E) If the judgment creditor fails to comply with the obligations imposed by
28 this section, then the court may set aside the attachment and order the judgment creditor
29 to pay reasonable attorney's fees and costs of the party seeking to set aside the attachment.

30 (F) **A VIOLATION OF THIS SECTION PERTAINING TO A JUDGMENT ARISING**
31 **OUT OF A CONSUMER TRANSACTION AS DEFINED IN § 14-201 OF THIS ARTICLE IS:**

1 **(1) AN UNFAIR, ABUSIVE, OR DECEPTIVE TRADE PRACTICE, AS**
2 **DEFINED UNDER TITLE 13 OF THIS ARTICLE; AND**

3 **(2) SUBJECT TO THE ENFORCEMENT AND PENALTY PROVISIONS OF**
4 **TITLE 13 OF THIS ARTICLE.**

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2024.