

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 94

(Chair, Finance Committee)(By Request - Departmental -
Labor)

Finance

Commercial Law - Earned Wage Access - Revisions

This departmental bill prohibits consumer loan lenders, commercial loan lenders, and earned wage access providers from soliciting or receiving tips and requires those lenders to return any tip collected within seven days after receiving a tip. Additionally, the bill requires those lenders to disclose to consumers that they are prohibited from soliciting or accepting tips, as specified. The bill subjects earned wage access providers to consumer protection and nondiscrimination requirements governing other consumer and commercial loans. Lastly, the bill makes conforming changes to reflect the prohibition on lenders from soliciting or collecting tips.

Fiscal Summary

State Effect: The bill does not materially affect State operations or finances.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: The Maryland Department of Labor (MD Labor) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Bill Summary:

Earned Wage Access Providers

The bill subjects earned wage access providers to provisions of State law regulating advertising of consumer loans and prohibiting discrimination based on race, color, creed, national origin, sex, sexual orientation, gender identity, disability, marital status, or age.

Additionally, the bill includes earned wage access providers in a broad exemption from specified penalty provisions in instances where the provider, in good faith, performed or did not perform an act based on a written opinion of the Office of Financial Regulation (OFR) or the Attorney General, as specified.

Required Disclosures

Earned Wage Access Providers: The bill requires earned wage access providers to prominently disclose that the provider is prohibited by law from soliciting or retaining tips, gratuities, or other donations.

Commercial and Consumer Loan Lenders: The bill requires commercial and consumer loan lenders to prominently disclose that the provider is prohibited from accepting a tip from a consumer.

Current Law: The financial services industry in Maryland is regulated by OFR within MD Labor and the Office of the Attorney General's Securities Division. Under the direction and authority of the Commissioner of Financial Regulation, OFR regulates State-chartered and State-licensed financial institutions operating in Maryland. These include depository institutions such as Maryland-chartered banks, trust companies, bank holding companies, and credit unions, as well as nondepository entities such as money transmitters, check cashers, consumer lenders, sales finance companies, installment lenders, mortgage lenders, mortgage loan originators, credit services businesses, debt management services providers, debt settlement services providers, consumer reporting agencies, and collection agencies.

Maryland Consumer Loan Law

The Maryland Consumer Loan Law (MCLL) (Title 12, Subtitle 3 of the Commercial Law Article) applies to a loan or advance of money of \$25,000 or less for personal, family, or household purposes – *regardless of whether the loan or advance is (or purports to be) another type of product*. In addition, a person may not lend \$25,000 or less if interest on a loan exceeds the amount authorized by Maryland law, the transaction violates the federal Military Lending Act, or the person is not licensed (or exempt). Loans made under MCLL generally cap interest at 33% with a balance of \$2,000 or less and 24% with a balance of more than \$2,000.

MCLL does not apply to (1) a plan or loan for which a written election has been made under other provisions of law relating to interest and usury, secondary mortgage loans, revolving credit, and closed end credit transactions; (2) a loan made by an individual who makes three or fewer loans per year and is not engaged in the business of making loans; or (3) a loan between an employer and an employee.

A lender who receives a tip that would otherwise create a rate of interest above that allowed by State law may not be found in violation of MCLL if the lender returns all of the tip, or the portion necessary to reduce the rate of interest to an allowed amount, within 30 calendar days after receiving the tip.

Earned Wage Access, Definitions

“Earned wage” is defined as salary, wages, compensation, or other income earned (1) on an hourly, project-based, piecework, or other basis or (2) through services rendered as an independent contractor.

“Earned wage access” means “consumer-directed earned wage access” or “employer-integrated earned wage access.” A provider of earned wage access may not, among other things, charge a consumer specified fees, receive interest from a consumer, or obtain a consumer’s credit report as a method of qualifying the consumer for earned wage access.

Earned Wage Access, Regulations

Chapter 847 of 2025 established a comprehensive regulatory framework for earned wage access providers in the State.

Among other things, Chapter 847 subjects earned wage access products to MCLL and other related statutory provisions that regulate entities that provide consumer credit. Among other provisions, Chapter 847 explicitly treats certain earned wage access products as loans and establishes new rules for the acceptance of tips in connection with the provision of earned wage access products and other credit under MCLL.

Chapter 847 prohibits consumer lenders from suggesting to consumers that a tip will influence (1) the lender’s willingness to provide a loan or (2) the terms of the loan. Earned wage access providers must offer a no cost option to a consumer whenever the provider offers a consumer the option to receive earned wage access for a fee or solicits an optional tip, gratuity, or other donation. Earned wage access providers must disclose to whom a tip is allocated and that any tip paid by the consumer does not inure to the direct benefit of any specific employee or any other individual.

Regulatory Exemptions for Licensed Providers of Earned Wage Access

A licensed earned wage access provider is exempted from provisions of State law relating to lending, credit, or debt including the interest, consumer loan, and revolving and closed end credit provisions of the Commercial Law Article (including prohibitions against false advertising and discrimination). Furthermore, licensed earned wage access services are not

considered money transmission, and such services are not considered to be in violation of State law regarding deductions from payroll, salary wages, compensation, or other income or the purchase, sale, assignment, or order for unpaid but earned wages.

Background: MD Labor advises that the provisions of the bill prohibiting the collection of tips are necessary to eliminate potentially predatory practices around tipping by some earned wage access providers and to increase consumer protection in the State. Specifically, MD Labor advises that tips can function like undisclosed finance charges or interest and exploit financially vulnerable Marylanders into paying more than they otherwise must for earned wage access services. Additionally, MD Labor suggests that the provisions surrounding required disclosures bolster consumer protections by keeping consumers informed as to the nature of cost and options associated with earned wage access services.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 237 (Chair, Economic Matters Committee)(By Request - Departmental - Labor) - Economic Matters.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 28, 2026
jg/mcr

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Commercial Law - Earned Wage Access - Revisions

BILL NUMBER: SB 94

PREPARED BY: Amy Hennen

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

☒ **_X_ WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS**

OR

☐ **_ WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES**

PART B. ECONOMIC IMPACT ANALYSIS