

# HOUSE BILL 1191

I3, D3

2lr1764  
CF SB 831

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By: **Delegates Niemann, Burns, and Love**  
Introduced and read first time: February 10, 2012  
Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Consumer Protection – Credit Counseling and Legal**  
3 **Assistance Fund**

4 FOR the purpose of establishing the Credit Counseling and Legal Assistance Fund as  
5 a special, nonlapsing fund; specifying the purpose of the Fund; requiring the  
6 Division of Consumer Protection in the Office of the Attorney General to  
7 administer the Fund; requiring the Division to adopt certain regulations;  
8 requiring the State Treasurer to hold the Fund and the Comptroller to account  
9 for the Fund; specifying the contents of the Fund; specifying the purpose for  
10 which the Fund may be used; providing for the investment of money in and  
11 expenditures from the Fund; requiring the State Court Administrator to collect  
12 certain fees and pay the fees into the Fund; providing that investment earnings  
13 of the Fund do not accrue to the General Fund; defining a certain term; and  
14 generally relating to the Credit Counseling and Legal Assistance Fund.

15 BY adding to

16 Article – Commercial Law  
17 Section 13–207  
18 Annotated Code of Maryland  
19 (2005 Replacement Volume and 2011 Supplement)

20 BY adding to

21 Article – Courts and Judicial Proceedings  
22 Section 7–202(g) and 7–301(g)  
23 Annotated Code of Maryland  
24 (2006 Replacement Volume and 2011 Supplement)

25 BY repealing and reenacting, without amendments,

26 Article – State Finance and Procurement  
27 Section 6–226(a)(2)(i)  
28 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2009 Replacement Volume and 2011 Supplement)

2 BY repealing and reenacting, with amendments,  
3 Article – State Finance and Procurement  
4 Section 6–226(a)(2)(ii)62. and 63.  
5 Annotated Code of Maryland  
6 (2009 Replacement Volume and 2011 Supplement)

7 BY adding to  
8 Article – State Finance and Procurement  
9 Section 6–226(a)(2)(ii)64.  
10 Annotated Code of Maryland  
11 (2009 Replacement Volume and 2011 Supplement)

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

14 **Article – Commercial Law**

15 **13–207.**

16 (A) IN THIS SECTION, “FUND” MEANS THE CREDIT COUNSELING AND  
17 LEGAL ASSISTANCE FUND.

18 (B) THERE IS A CREDIT COUNSELING AND LEGAL ASSISTANCE FUND.

19 (C) THE PURPOSE OF THE FUND IS TO RECEIVE AND DISTRIBUTE  
20 FUNDS TO QUALIFIED NONPROFIT ENTITIES THAT PROVIDE COUNSELING  
21 SERVICES AND LEGAL ASSISTANCE TO CONSUMERS RELATED TO CONSUMER  
22 CREDIT AND DEBT COLLECTION.

23 (D) (1) THE DIVISION SHALL ADMINISTER THE FUND.

24 (2) THE DIVISION SHALL ADOPT REGULATIONS TO CARRY OUT  
25 THIS SECTION, INCLUDING REGULATIONS THAT ESTABLISH:

26 (I) A PROCESS FOR APPLYING FOR A DISTRIBUTION OF  
27 MONEY FROM THE FUND; AND

28 (II) ELIGIBILITY REQUIREMENTS FOR THE RECEIPT OF A  
29 DISTRIBUTION OF MONEY FROM THE FUND.

30 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT  
31 SUBJECT TO § 7–302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

1           **(2) THE STATE TREASURER SHALL HOLD THE FUND**  
2 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

3           **(F) THE FUND CONSISTS OF:**

4           **(1) MONEY DISTRIBUTED TO THE FUND UNDER §§ 7-202 AND**  
5 **7-301 OF THE COURTS ARTICLE;**

6           **(2) INVESTMENT EARNINGS OF THE FUND; AND**

7           **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED**  
8 **FOR THE BENEFIT OF THE FUND.**

9           **(G) THE FUND MAY BE USED ONLY TO PROVIDE FUNDING TO**  
10 **NONPROFIT ENTITIES THAT PROVIDE COUNSELING SERVICES AND LEGAL**  
11 **ASSISTANCE TO CONSUMERS RELATED TO CONSUMER CREDIT AND DEBT**  
12 **COLLECTION.**

13           **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE**  
14 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

15           **(2) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID**  
16 **INTO THE FUND.**

17           **(I) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**  
18 **ACCORDANCE WITH THE STATE BUDGET.**

19           **(J) MONEY EXPENDED FROM THE FUND FOR NONPROFIT ENTITIES**  
20 **THAT PROVIDE COUNSELING SERVICES AND LEGAL ASSISTANCE TO CONSUMERS**  
21 **IS SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING**  
22 **THAT OTHERWISE WOULD BE APPROPRIATED TO THESE ENTITIES.**

23                           **Article – Courts and Judicial Proceedings**

24           7-202.

25           **(G) THE STATE COURT ADMINISTRATOR SHALL:**

26           **(1) COLLECT A FILING FEE OF \$30 FROM A COLLECTION AGENCY**  
27 **ATTEMPTING TO COLLECT ON A CLAIM FOR UNPAID CONSUMER DEBT, AS**  
28 **DEFINED IN § 13-101 OF THE COMMERCIAL LAW ARTICLE; AND**

1           **(2) PAY THE FEE INTO THE CREDIT COUNSELING AND LEGAL**  
 2 **ASSISTANCE FUND ESTABLISHED UNDER § 13-207 OF THE COMMERCIAL LAW**  
 3 **ARTICLE.**

4 7-301.

5           **(G) THE STATE COURT ADMINISTRATOR SHALL:**

6           **(1) COLLECT A FILING FEE OF \$30 FROM A COLLECTION AGENCY**  
 7 **ATTEMPTING TO COLLECT ON A CLAIM FOR UNPAID CONSUMER DEBT, AS**  
 8 **DEFINED IN § 13-101 OF THE COMMERCIAL LAW ARTICLE; AND**

9           **(2) PAY THE FEE INTO THE CREDIT COUNSELING AND LEGAL**  
 10 **ASSISTANCE FUND ESTABLISHED UNDER § 13-207 OF THE COMMERCIAL LAW**  
 11 **ARTICLE.**

12   **Article – State Finance and Procurement**

13 6-226.

14           (a)   (2)   (i)   Notwithstanding any other provision of law, and unless  
 15 inconsistent with a federal law, grant agreement, or other federal requirement or with  
 16 the terms of a gift or settlement agreement, net interest on all State money allocated  
 17 by the State Treasurer under this section to special funds or accounts, and otherwise  
 18 entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue  
 19 to the General Fund of the State.

20   (ii)   The provisions of subparagraph (i) of this paragraph do not  
 21 apply to the following funds:

22   62.   Veterans Trust Fund; [and]

23   63.   Transportation Trust Fund; AND

24   64.   **CREDIT COUNSELING AND LEGAL ASSISTANCE**  
 25 **FUND.**

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
 27 October 1, 2012.