

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND SEVENTH LEGISLATURE

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**Legislative Document**

**No. 1532**

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H. P. 1251

House of Representatives, April 2, 1975

On motion of Mrs. Clark of Freeport, referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mrs. Clark of Freeport.

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## STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-FIVE

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### AN ACT to Increase Certain Volume Fees under the Maine Consumer Credit Code.

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Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 9-A MRSA § 6-203, sub-§ 2, first sentence, as enacted by PL 1973, c. 762, § 1, is amended to read:

Persons required to file notification who are sellers, lessors or lenders shall pay an additional fee, at the time and in the manner stated in subsection 1, of ~~Five~~ \$15 for each \$100,000, or part thereof, in excess of \$100,000, of the original unpaid balances arising from consumer credit transactions entered into in this State within the preceding calendar year and held either by the seller, lessor or lender for more than 30 days after the inception of the sale, lease or loan giving rise to the obligations, or by an assignee who has not filed notification.

Sec. 2. 9-A MRSA § 6-203, sub-§ 3, as enacted by PL 1973, c. 762, § 1, is amended to read:

3. Persons required to file notification who are assignees shall pay an additional fee, at the time and in the manner stated in subsection 1, of ~~Five~~ \$15 for each \$100,000, or part thereof, of the unpaid balances at the time of the assignment of obligations arising from consumer credit transactions entered into in this State taken by assignment during the preceding calendar year, but an assignee need not pay a fee with respect to an obligation on which the assignor or other person has already paid a fee.

#### FISCAL NOTE

It is estimated that pasage of this Act will result in an additional revenue to the State of \$25,000 annually.

## STATEMENT OF FACT

The consumer credit code, as enacted, required Maine creditors to pay a volume fee of \$10 for every \$100,000 of credit extended to Maine consumers in the preceding year. The fees, which are required by statute to be paid by January 31st, are necessary to fund the operation of the Bureau of Consumer Protection. In 1975, the volume fee set at \$10 per \$100,000 produced revenues of just over \$50,000. Another \$10,000 was earned by the bureau from creditor registration.

The bureau has 10 full-time employees. Seven of these people were transferred to the new bureau from the Bureau of Banks and Banking where they had conducted examinations for truth-in-lending and small loan license violations. The 4 field examiners are self-funding from examination fees. The in-house staff and overhead, however, must be funded from code revenues. Revenues from the code for 1975 will be exhausted by late September. If any funds are to be expended for consumer education or administrative hearings concerning violations of the code, then the revenues will be exhausted prior to September.

Passage of this proposal is necessary to permit the Bureau of Consumer Protection to secure temporary funds from other bureaus within the Department of Business Regulation until February, 1976 on the basis of expected increased revenues from code creditor volume fees.