

MAINE STATE LEGISLATURE

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ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 242

H. P. 180

House of Representatives, February 3, 1977

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Clark of Freeport.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

**AN ACT Relating to an Increase in the Volume Fees Paid by Major Creditors
under the Maine Consumer Credit Code.**

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

Sec. 1. 9-A MRSA § 6-203, sub-§§ 2 and 3, as last amended by PL 1975, c. 402, §§ 1 and 2, are further amended to read:

2. 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 ~~§15~~ §20 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. A refinancing of a sale, lease or loan resulting in an increase in the amount of an obligation is considered a new sale, lease or loan to the extent of the amount of the increase.

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 ~~§15~~ §20 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.

Sec. 2. Effective date. This Act shall take effect on January 1, 1978.

FISCAL NOTE

The volume fee increase from \$15 to \$20 per \$100,000 will increase bureau revenues by approximately \$26,000 in 1978.

STATEMENT OF FACT

The Bureau of Consumer Protection operates on the revenue obtained from creditors based upon the volume of credit extended to Maine consumers. In 1976 creditors paid \$76,950 in volume fees on the basis of \$15 for every \$100,000 of consumer credit extended. Seventy percent of this amount was paid by 33 major creditors. This requested fee increase will not have any effect upon Maine's smaller creditors who extend less than \$100,000 annually.

This increase is necessary to maintain the total staffing of 7 employees. The bureau has reduced its field examination staff from 4 in early 1975 to one examiner, effective May, 1976.

The volume fees paid during 1976 were insufficient to fund the bureau. It became necessary, in November and December, to borrow against 1977 revenue. This will result in an even more substantial short-fall during the latter part of 1977.