

HOUSE BILL 577

C2

5lr1723
CF 5lr1892

By: **The Speaker (By Request – Office of the Comptroller)**

Introduced and read first time: January 23, 2025

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Miscellaneous State Business Licenses – Enforcement**
3 **and Penalties**

4 FOR the purpose of authorizing the Comptroller to issue citations to enforce certain
5 provisions of law concerning business licenses; requiring each application for a
6 certain business license to designate an individual to serve as the license
7 representative for the purpose of being subject to certain penalties; establishing that
8 the penalties for violating certain provisions of law apply to certain persons; and
9 generally relating to penalties and enforcement for miscellaneous State business
10 licenses.

11 BY repealing and reenacting, with amendments,
12 Article – Business Regulation
13 Section 17–202(d), 17–302(f), and 17–2106
14 Annotated Code of Maryland
15 (2024 Replacement Volume)

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

18 **Article – Business Regulation**

19 17–202.

20 (d) To enforce this title, the Comptroller may make investigations and hold
21 hearings on any matter covered by this title, at any time or place in the State, and, in
22 connection with an investigation or hearing, may:

23 (1) administer oaths;

24 (2) examine witnesses;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(3) receive evidence; [and]

(4) issue subpoenas for the attendance of witnesses to testify or to produce evidence; AND

(5) ISSUE CITATIONS.

17-302.

(f) Each application for a license shall:

(1) DESIGNATE AT LEAST ONE INDIVIDUAL TO SERVE AS THE LICENSE REPRESENTATIVE WHO:

(I) IS A RESIDENT OF THE STATE;

(II) IS A REPRESENTATIVE OF THE BUSINESS FOR THE PURPOSE OF BEING SUBJECT TO THE PENALTIES FOR A VIOLATION OF SUBTITLE 21 OF THIS TITLE; AND

(III) HAS ACCEPTED THE RESPONSIBILITY UNDER ITEM (II) OF THIS ITEM;

(2) PROVIDE THE NAME, ADDRESS, AND CONTACT INFORMATION FOR THE LICENSE REPRESENTATIVE; AND

(3) contain any information required by the Comptroller in regulation.

17-2106.

(a) THE PENALTIES FOR A VIOLATION OF THIS SUBTITLE APPLY TO THE FOLLOWING PERSONS:

(1) A PERSON SPECIFIED AS THE BUSINESS OWNER IN THE LICENSE APPLICATION;

(2) AN INDIVIDUAL DESIGNATED AS A LICENSE REPRESENTATIVE UNDER § 17-302(F)(1) OF THIS TITLE;

(3) FOR A CORPORATION, THE CORPORATION OR ONE OR MORE OFFICERS OF THE CORPORATION;

(4) FOR A LIMITED LIABILITY COMPANY:

1 **(I) IF THE COMPANY DOES NOT HAVE AN OPERATING**
2 **AGREEMENT, ONE OR MORE MEMBERS; OR**

3 **(II) IF THE COMPANY HAS AN OPERATING AGREEMENT, ONE OR**
4 **MORE INDIVIDUALS WHO MANAGE THE BUSINESS AND AFFAIRS OF THE COMPANY;**

5 **(5) FOR A LIMITED LIABILITY PARTNERSHIP:**

6 **(I) IF THE PARTNERSHIP DOES NOT HAVE A WRITTEN**
7 **PARTNERSHIP AGREEMENT, ONE OR MORE GENERAL PARTNERS; OR**

8 **(II) IF THE PARTNERSHIP HAS A WRITTEN PARTNERSHIP**
9 **AGREEMENT, ONE OR MORE INDIVIDUALS WHO MANAGE THE BUSINESS AND**
10 **AFFAIRS OF THE PARTNERSHIP; AND**

11 **(6) FOR A BUSINESS ENTITY NOT IDENTIFIED UNDER ITEMS (3)**
12 **THROUGH (5) OF THIS SUBSECTION, ONE OR MORE INDIVIDUALS WHO MANAGE THE**
13 **BUSINESS AND AFFAIRS OF THE ENTITY.**

14 **(B)** Except as otherwise specifically provided in this title, a person who violates
15 this subtitle is guilty of a misdemeanor and, on conviction, is subject to a fine not exceeding
16 \$300 or imprisonment not exceeding 30 days.

17 **[(b)] (C)** Each **[agent or officer of a corporation] PERSON WHO IS** convicted of
18 violating this subtitle **[who actually engaged in the unlicensed business is] MAY BE**
19 individually subject to the penalties provided by law.

20 **[(c)] (D)** The penalty provided in this section does not affect any other penalty
21 specifically provided by law for a violation of a license law.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 2025.