

SENATE BILL 664

C2

5lr1892
CF HB 577

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

Introduced and read first time: January 25, 2025

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 25, 2025

CHAPTER _____

1 AN ACT concerning

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

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~~ requiring
9 the Comptroller to consult with certain stakeholders to study and make
10 recommendations on the enforcement process for miscellaneous State business
11 licenses; and generally relating to ~~penalties and~~ enforcement for miscellaneous State
12 business licenses.

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

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

20 (a) The Comptroller, in consultation with stakeholders, shall study the process by
21 which the Field Enforcement Bureau of the Comptroller’s Office enforces miscellaneous
22 State business licenses under Title 17 of the Business Regulation Article.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(b) The Comptroller shall consult with, at a minimum, the following stakeholders:

(1) the Alcohol, Tobacco, and Cannabis Commission;

(2) the Maryland Chamber of Commerce;

(3) the Maryland Retailers Alliance;

(4) the Maryland Restaurant Association;

(5) the Job Opportunities Task Force; and

(6) the Maryland Circuit Court Clerks' Association.

(c) On or before December 1, 2025, the Comptroller shall submit a report of its findings and recommendations to the General Assembly, in accordance with § 2-1257 of the State Government Article, including:

(1) a review of the process by which the Field Enforcement Bureau of the Comptroller's Office enforces the miscellaneous State business licenses;

(2) a review and recommendation as to whether civil citations could be used rather than or in conjunction with criminal citations to enforce the miscellaneous State business licenses;

(3) recommendations on how to ensure that the Field Enforcement Bureau can, for the purposes of license enforcement, properly identify and contact the owner, operator, or responsible party for a miscellaneous State business license;

(4) recommendations on how to ensure citations related to miscellaneous State business license enforcement are only issued to the business owner, operator, or responsible party; and

(5) recommendations on how the Field Enforcement Bureau can effectively issue citations related to miscellaneous State business license enforcement when the business owner does not reside in the State.

~~Article — Business Regulation~~

~~17-202.~~

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

~~(1) administer oaths;~~

1 ~~(2) examine witnesses;~~

2 ~~(3) receive evidence; [and]~~

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

5 ~~(5) ISSUE CITATIONS.~~

6 ~~17-302.~~

7 ~~(f) Each application for a license shall:~~

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

10 ~~(i) IS A RESIDENT OF THE STATE;~~

11 ~~(ii) IS A REPRESENTATIVE OF THE BUSINESS FOR THE PURPOSE~~
12 ~~OF BEING SUBJECT TO THE PENALTIES FOR A VIOLATION OF SUBTITLE 21 OF THIS~~
13 ~~TITLE; AND~~

14 ~~(iii) HAS ACCEPTED THE RESPONSIBILITY UNDER ITEM (ii) OF~~
15 ~~THIS ITEM;~~

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

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

19 ~~17-2106.~~

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

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

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

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

~~(4) FOR A LIMITED LIABILITY COMPANY:~~

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

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

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

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

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

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

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

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

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

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