

HOUSE BILL 1106

C2

5lr2216
CF SB 922

By: **Delegate Boafo**

Introduced and read first time: February 5, 2025

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 6, 2025

CHAPTER _____

1 AN ACT concerning

2 **Business Regulation – Travel Services – Special Fund, Fees, and Surety**
3 **Requirement**
4 **(Don’t You Worry (Wurie) Act)**

5 FOR the purpose of establishing the Sellers of Travel Registration Fund as a special,
6 nonlapsing fund in the Maryland Department of Labor; requiring that certain
7 investment earnings be credited to the General Fund of the State; requiring the
8 Secretary of Labor to annually calculate certain costs; authorizing the Department
9 to set by regulation certain fees based on certain calculations; prohibiting certain
10 fees from increasing by more than a certain amount each year; requiring certain
11 providers of travel services to file with the Department of Labor evidence of financial
12 security proof of professional liability and errors and omissions liability in at least a
13 certain amount; and generally relating to the financial security of providers of travel
14 services.

15 BY adding to

16 Article – Business Regulation

17 Section 2–106.17 and 2–106.18; and 17–2201 through 17–2205 17–2203 to be under
18 the new subtitle “Subtitle 22. Travel Services”

19 Annotated Code of Maryland

20 (2024 Replacement Volume)

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

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.



Article – Business Regulation

2-106.17.

(A) IN THIS SECTION, “FUND” MEANS THE SELLERS OF TRAVEL REGISTRATION FUND.

(B) (1) THERE IS A SELLERS OF TRAVEL REGISTRATION FUND.

(2) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(C) (1) THE DEPARTMENT SHALL PAY ALL FEES COLLECTED UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE FUND.

(D) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES OF THE DEPARTMENT UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE.

(E) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER THE FUND.

(F) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT ARTICLE.

(G) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE.

2-106.18.

(A) THE SECRETARY SHALL ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE DEPARTMENT UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE.

(B) THE DEPARTMENT SHALL ESTABLISH FEES BASED ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.

(C) EACH FEE ESTABLISHED BY THE DEPARTMENT UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE MAY NOT BE INCREASED ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEES OF THE DEPARTMENT UNDER TITLE 17, SUBTITLE 22 OF THIS ARTICLE.

SUBTITLE 22. TRAVEL SERVICES.

17-2201.

(A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

~~(B) "DIVISION" MEANS THE DIVISION OF CONSUMER PROTECTION OF THE OFFICE OF THE ATTORNEY GENERAL.~~

~~(C)~~ (B) "INDEPENDENT AGENT" MEANS A PERSON THAT OFFERS OR UNDERTAKES TO ARRANGE FOR OR PROVIDE THE TRAVEL SERVICES SPECIFIED IN SUBSECTION ~~(D)(1)(H)~~ (C)(1)(II) OF THIS SECTION BUT DOES NOT:

(1) RECEIVE MONEY OR OTHER VALUABLE CONSIDERATION DIRECTLY FROM THE PURCHASER FOR THE SALE OF TRAVEL SERVICES OR FROM THE ULTIMATE TRAVEL SUPPLIER;

(2) POSSESS AT ANY TIME ANY UNISSUED TICKET STOCK OR TRAVEL DOCUMENT; OR

(3) HAVE THE ABILITY TO ISSUE TICKETS, VACATION CERTIFICATES, OR ANY OTHER TRAVEL DOCUMENTS.

~~(D)~~ (C) (1) "SELLER OF TRAVEL" MEANS A PERSON THAT:

(I) IS LOCATED IN THE STATE OR OFFERS TO SELL TRAVEL SERVICES TO A PERSON LOCATED IN THE STATE;

(II) OFFERS OR UNDERTAKES TO ARRANGE OR PROVIDE FOR:

1. TRAVEL RESERVATIONS OR ACCOMMODATIONS;

2. TICKETS FOR TRAVEL BY ANY MODE OF TRANSPORTATION;

3. HOTEL OR MOTEL ACCOMMODATIONS;

4. CAR RENTALS; OR

5. SIGHTSEEING TOURS; AND

(III) RECEIVES VALUABLE CONSIDERATION DIRECTLY FROM THE PURCHASER FOR THE SALE OF TRAVEL SERVICES OR FROM THE ULTIMATE TRAVEL SUPPLIER.

(2) "SELLER OF TRAVEL" DOES NOT INCLUDE:

(I) AN AIR CARRIER;

(II) AN OCEAN CARRIER; OR

(III) A HOTEL, MOTEL, OR SIMILAR LODGING ESTABLISHMENT THAT, IN THE COURSE OF SELLING, PROVIDING, OR ARRANGING TRANSIENT LODGING ACCOMMODATIONS AND RELATED SERVICES FOR ITS REGISTERED GUESTS:

1. ARRANGES OR PROVIDES FOR TRANSPORTATION; AND

2. DOES NOT DIRECTLY OR INDIRECTLY RECEIVE MONEY OR OTHER VALUABLE CONSIDERATION FOR ARRANGING OR PROVIDING THAT TRANSPORTATION.

17-2202.

(A) (1) EACH SELLER OF TRAVEL OR INDEPENDENT AGENT SHALL FILE ANNUALLY WITH THE DEPARTMENT ~~EVIDENCE OF FINANCIAL SECURITY~~ PROOF OF PROFESSIONAL LIABILITY AND ERRORS AND OMISSIONS INSURANCE IN THE AMOUNT OF AT LEAST \$1,000,000 AS REQUIRED BY THIS SUBTITLE.

(2) EACH SELLER OF TRAVEL SHALL FILE ANNUALLY WITH THE DEPARTMENT A LIST OF INDEPENDENT AGENTS AFFILIATED WITH THE SELLER OF TRAVEL.

(3) THE ANNUAL FILING FEE IS \$300.

(B) A PERSON MAY NOT RECEIVE VALUABLE CONSIDERATION IN PAYMENT FOR SERVICES OFFERED FOR SALE BY A SELLER OF TRAVEL OR AN INDEPENDENT AGENT UNLESS, AT THE TIME OF RECEIVING THE PAYMENT, THE SELLER OF TRAVEL OR INDEPENDENT AGENT HAS MET THE ANNUAL FILING REQUIREMENTS UNDER SUBSECTION (A) OF THIS SECTION.

~~(C) IF THERE IS A MATERIAL CHANGE IN THE FINANCIAL SECURITY OF A SELLER OF TRAVEL OR AN INDEPENDENT AGENT DURING THE PERIOD BETWEEN THE ANNUAL FILINGS REQUIRED UNDER SUBSECTION (A)(1) OF THIS SECTION, THE SELLER OF TRAVEL OR AN INDEPENDENT AGENT SHALL FILE AN ADDENDUM WITH THE DEPARTMENT.~~

~~17-2203.~~

~~(A) (1) SUBJECT TO SUBSECTION (B) OF THIS SECTION, EVIDENCE OF THE FINANCIAL SECURITY REQUIRED UNDER § 17-2202 OF THIS SUBTITLE SHALL BE A SURETY OR CASH PERFORMANCE BOND RELATIVE TO THE ANNUAL GROSS INCOME OF THE SELLER OF TRAVEL OR INDEPENDENT AGENT IN THE STATE AS FOLLOWS:~~

~~(I) IF THE ANNUAL GROSS INCOME OF BUSINESS CONDUCTED IN THE STATE IS LESS THAN \$200,000, THE PRINCIPAL AMOUNT OF THE SURETY BOND SHALL BE \$10,000;~~

~~(II) IF THE ANNUAL GROSS INCOME OF BUSINESS CONDUCTED IN THE STATE IS \$200,000 OR MORE BUT LESS THAN \$500,000, THE PRINCIPAL AMOUNT OF THE SURETY BOND SHALL BE \$20,000;~~

~~(III) IF THE ANNUAL GROSS INCOME OF BUSINESS CONDUCTED IN THE STATE IS \$500,000 OR MORE BUT LESS THAN \$750,000, THE PRINCIPAL AMOUNT OF THE SURETY BOND SHALL BE \$30,000;~~

~~(IV) IF THE ANNUAL GROSS INCOME OF BUSINESS CONDUCTED IN THE STATE IS \$750,000 OR MORE BUT LESS THAN \$1,000,000, THE PRINCIPAL AMOUNT OF THE SURETY BOND SHALL BE \$40,000; AND~~

~~(V) IF THE ANNUAL GROSS INCOME OF BUSINESS CONDUCTED IN THE STATE IS \$1,000,000 OR MORE, THE PRINCIPAL AMOUNT OF THE SURETY BOND SHALL BE \$50,000.~~

~~(2) ANY SURETY BOND UNDER THIS SUBSECTION SHALL CONFORM WITH THE INSURANCE ARTICLE AND BE EXECUTED BY A SURETY COMPANY AUTHORIZED TO DO BUSINESS IN THE STATE.~~

~~(B) IN LIEU OF THE BOND REQUIRED UNDER SUBSECTION (A) OF THIS SECTION, A SELLER OF TRAVEL OR AN INDEPENDENT AGENT MAY:~~

~~(1) OBTAIN A CERTIFICATE OF DEPOSIT OR AN IRREVOCABLE LETTER OF CREDIT FROM A STATE BANKING INSTITUTION IN THE AMOUNT OF THE PERFORMANCE BOND;~~

~~(2) FILE WITH THE DEPARTMENT PROOF OF PROFESSIONAL LIABILITY AND ERRORS AND OMISSIONS INSURANCE IN THE AMOUNT OF \$1,000,000; OR~~

~~(3) DEPOSIT WITH THE DEPARTMENT:~~

~~(I) CASH IN THE AMOUNT OF \$50,000;~~

~~(II) SECURITIES WITH A VALUE OF AT LEAST \$50,000;~~

~~(III) A STATEMENT FROM A LICENSED FINANCIAL INSTITUTION
GUARANTEEING THE PERFORMANCE OF THE SELLER OF TRAVEL OR INDEPENDENT
AGENT; OR~~

~~(IV) A SECURITY INTEREST IN PROPERTY WITH A VALUE OF
\$50,000.~~

~~(C) THE BOND REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL
BE PAYABLE TO THE STATE AND THE BOND OR OTHER EVIDENCE OF SECURITY
SPECIFIED IN SUBSECTION (B) OF THIS SECTION SHALL BE FOR THE USE AND
BENEFIT OF ANY PERSON;~~

~~(1) WHO SUSTAINS A MONETARY LOSS AS A RESULT OF THE FRAUD,
MISREPRESENTATION, BREACH OF CONTRACT, FINANCIAL FAILURE, OR VIOLATION
OF ANY PROVISION OF THIS SUBTITLE BY THE SELLER OF TRAVEL OR INDEPENDENT
AGENT; OR~~

~~(2) FOR WHOM SERVICES HAVE NOT BEEN DELIVERED BY THE
WRONGFUL ACT OF;~~

~~(I) THE SELLER OF TRAVEL OR INDEPENDENT AGENT ACTING
IN THE COURSE OF BUSINESS; OR~~

~~(II) AN OFFICIAL, AGENT, OR EMPLOYEE OF THE SELLER OF
TRAVEL OR INDEPENDENT AGENT, ACTING IN THE COURSE OF THE OFFICIAL'S,
AGENT'S, OR EMPLOYEE'S EMPLOYMENT OR AGENCY.~~

~~17-2204.~~

(1) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE DEPARTMENT
SHALL PAY ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE
SELLERS OF TRAVEL REGISTRATION FUND ESTABLISHED IN § 2-106.17 OF THIS
ARTICLE.

17-2203.

~~THE DIVISION AND THE DEPARTMENT SHALL:~~

(1) PROVIDE REASONABLE NOTICE OF THE REQUIREMENTS OF THIS
SUBTITLE TO CONSUMERS AND SELLERS OF TRAVEL; ~~AND~~

(2) ENFORCE THE PROVISIONS OF THIS SUBTITLE; AND

(3) ADOPT REGULATIONS TO CARRY OUT THIS SUBTITLE, INCLUDING
REGULATIONS ESTABLISHING REQUIREMENTS AND PROCEDURES FOR THE
REGISTRATION OF SELLERS OF TRAVEL AND PROVIDING FOR THE ENFORCEMENT
OF THIS SUBTITLE.

~~17-2205.~~

~~(A) (1) AN INDIVIDUAL WHO VIOLATES ANY PROVISION OF THIS SUBTITLE
IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT
EXCEEDING \$10,000.~~

~~(2) AN INDIVIDUAL ON CONVICTION OF A SECOND OR SUBSEQUENT
OFFENSE UNDER THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND IS SUBJECT TO
A FINE NOT EXCEEDING \$50,000.~~

~~(B) (1) A BUSINESS ENTITY THAT VIOLATES ANY PROVISION OF THIS
SUBTITLE IS GUILTY OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE
NOT EXCEEDING \$50,000.~~

~~(2) A BUSINESS ENTITY ON CONVICTION OF A SECOND OR
SUBSEQUENT OFFENSE UNDER THIS SUBTITLE IS GUILTY OF A MISDEMEANOR AND
IS SUBJECT TO A FINE NOT EXCEEDING \$100,000.~~

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

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.