

SENATE BILL 218

K3, C3

(PRE-FILED)

5lr0385
CF HB 264

By: **Chair, Finance Committee (By Request – Departmental – Labor)**

Requested: October 12, 2024

Introduced and read first time: January 8, 2025

Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Business Occupational and Professional Licenses – Suspension and Revocation**
3 **for Workplace Fraud**

4 FOR the purpose of requiring, under certain circumstances, the Commissioner of Labor and
5 Industry to notify a licensing authority when a licensee is found in violation of
6 certain workplace fraud provisions; requiring licensing authorities to suspend or
7 revoke the licenses of licensees who are reported by the Commissioner; establishing
8 certain appeal and license reinstatement procedures; and generally relating to the
9 discipline of occupational and professional licenses for employers who commit
10 workplace fraud.

11 BY adding to
12 Article – Labor and Employment
13 Section 3–912
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2024 Supplement)

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

18 **Article – Labor and Employment**

19 **3–912.**

20 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
21 INDICATED.

22 (2) “LICENSE” MEANS A LICENSE, CERTIFICATE, REGISTRATION,
23 PERMIT, OR OTHER AUTHORIZATION THAT:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (I) IS ISSUED BY A LICENSING AUTHORITY;

2 (II) IS SUBJECT TO SUSPENSION, REVOCATION, FORFEITURE,
3 OR TERMINATION BY A LICENSING AUTHORITY; AND

4 (III) IS NECESSARY FOR A PERSON TO PRACTICE OR ENGAGE IN
5 A PARTICULAR BUSINESS, OCCUPATION, OR PROFESSION.

6 (3) "LICENSEE" MEANS AN EMPLOYER HOLDING A VALID LICENSE.

7 (4) (I) "LICENSING AUTHORITY" MEANS A UNIT OF THE DIVISION
8 OF OCCUPATIONAL AND PROFESSIONAL LICENSING IN THE MARYLAND
9 DEPARTMENT OF LABOR.

10 (II) "LICENSING AUTHORITY" INCLUDES:

11 1. THE ELEVATOR SAFETY REVIEW BOARD;

12 2. THE MARYLAND HOME IMPROVEMENT COMMISSION;

13 3. THE STATE BOARD OF ELECTRICIANS;

14 4. THE STATE BOARD OF HEATING, VENTILATION,
15 AIR-CONDITIONING, AND REFRIGERATION CONTRACTORS; AND

16 5. THE STATE BOARD OF PLUMBING.

17 (B) THE COMMISSIONER SHALL NOTIFY THE APPLICABLE LICENSING
18 AUTHORITY WHEN A LICENSEE IS FOUND IN VIOLATION OF § 3-903 OR § 3-904 OF
19 THIS SUBTITLE BY A FINAL ORDER OF A COURT OR AN ADMINISTRATIVE UNIT AND
20 HAS NOT PAID:

21 (1) ALL PENALTIES ASSESSED IN ACCORDANCE WITH THIS SUBTITLE
22 FOR A VIOLATION OF § 3-903 OR § 3-904 OF THIS SUBTITLE; AND

23 (2) WITHIN 45 DAYS AFTER ISSUANCE OF THE FINAL ORDER OF A
24 COURT OR ADMINISTRATIVE UNIT, ALL RESTITUTION OWED IN ACCORDANCE WITH §
25 3-907 OF THIS SUBTITLE FOR FAILING TO PROPERLY CLASSIFY AN EMPLOYEE.

26 (C) SUBJECT TO SUBSECTION (D) OF THIS SECTION, IF A LICENSING
27 AUTHORITY RECEIVES A NOTIFICATION MADE UNDER SUBSECTION (B) OF THIS

1 SECTION, THE LICENSING AUTHORITY SHALL SUSPEND OR REVOKE THE LICENSE OF
2 THE LICENSEE.

3 (D) (1) BEFORE SUSPENDING OR REVOKING A LICENSE UNDER
4 SUBSECTION (C) OF THIS SECTION, A LICENSING AUTHORITY SHALL SEND WRITTEN
5 NOTICE OF THE PROPOSED ACTION TO THE LICENSEE WHOSE LICENSE IS SUBJECT
6 TO SUSPENSION OR REVOCATION, INCLUDING NOTICE OF THE LICENSEE'S RIGHT TO
7 CONTEST THE IDENTITY OF THE LICENSEE WHOSE LICENSE IS TO BE SUSPENDED OR
8 REVOKED.

9 (2) (I) A LICENSEE MAY APPEAL A DECISION OF A LICENSING
10 AUTHORITY TO SUSPEND OR REVOKE THE LICENSE IN ACCORDANCE WITH TITLE 10,
11 SUBTITLE 2 OF THE STATE GOVERNMENT ARTICLE.

12 (II) AT A HEARING INITIATED UNDER THIS PARAGRAPH, THE
13 ISSUE SHALL BE LIMITED TO WHETHER THE COMMISSIONER HAS MISTAKEN THE
14 IDENTITY OF THE LICENSEE WHOSE LICENSE HAS BEEN SUSPENDED OR REVOKED.

15 (E) (1) A LICENSING AUTHORITY MAY NOT REINSTATE A LICENSE THAT
16 HAS BEEN SUSPENDED OR REVOKED UNDER SUBSECTION (C) OF THIS SECTION
17 UNTIL THE COMMISSIONER PROVIDES NOTICE TO THE LICENSING AUTHORITY IN
18 ACCORDANCE WITH PARAGRAPH (2) OF THIS SUBSECTION.

19 (2) THE COMMISSIONER SHALL NOTIFY THE LICENSING AUTHORITY
20 WITHIN 10 DAYS AFTER THE COMMISSIONER FIRST RECEIVES:

21 (I) A COURT ORDER TO REINSTATE THE LICENSE; OR

22 (II) WITH RESPECT TO A LICENSEE WHO IS SUBJECT TO A FINAL
23 ORDER OF A COURT OR AN ADMINISTRATIVE UNIT TO PAY PENALTIES OR
24 RESTITUTION FOR A VIOLATION OF § 3-903 OR § 3-904 OF THIS SUBTITLE, NOTICE
25 THAT THE LICENSEE HAS PAID ALL PENALTIES AND RESTITUTION IN FULL.

26 (3) A LICENSING AUTHORITY SHALL IMMEDIATELY REINSTATE ANY
27 LICENSE SUSPENDED OR REVOKED UNDER SUBSECTION (C) OF THIS SECTION IF:

28 (I) NOTIFIED BY THE COMMISSIONER THAT THE LICENSE
29 SHOULD BE REINSTATED; AND

30 (II) THE LICENSEE OTHERWISE QUALIFIES FOR THE LICENSE.

(F) (1) ADVERSE LICENSING ACTIONS TAKEN UNDER THIS SECTION MAY BE IMPOSED IN ADDITION TO ANY OTHER ACTIONS TAKEN IN THE ENFORCEMENT OF THIS SUBTITLE.

(2) ADVERSE LICENSING ACTIONS TAKEN UNDER THIS SECTION SHALL BE IN EFFECT AGAINST:

(I) ANY SUCCESSOR CORPORATION OR BUSINESS ENTITY THAT:

1. HAS ONE OR MORE OF THE SAME PRINCIPALS OR OFFICERS AS THE LICENSEE AGAINST WHOM THE ADVERSE ACTION WAS TAKEN, UNLESS THE PRINCIPAL OR OFFICER DID NOT OR, WITH THE EXERCISE OF REASONABLE DILIGENCE, COULD NOT HAVE KNOWN OF THE VIOLATION FOR WHICH THE ADVERSE ACTION WAS TAKEN; AND

2. IS ENGAGED IN OR INTENDS TO ENGAGE IN THE SAME OR EQUIVALENT TRADE OR ACTIVITY; AND

(II) ANY INDIVIDUAL LICENSEE THAT WAS AN OFFICER, DIRECTOR, CONTROLLING SHAREHOLDER, PARTNER, OR MANAGER OF THE EMPLOYER AGAINST WHOM THE ADVERSE ACTION WAS TAKEN UNLESS THE OFFICER, DIRECTOR, CONTROLLING SHAREHOLDER, PARTNER, OR MANAGER DID NOT OR, WITH THE EXERCISE OF REASONABLE DILIGENCE, COULD NOT HAVE KNOWN OF THE VIOLATION FOR WHICH THE ADVERSE ACTION WAS TAKEN.

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