

Department of Legislative Services  
Maryland General Assembly  
2011 Session

FISCAL AND POLICY NOTE  
Revised

House Bill 1242

(Chair, Baltimore County Delegation)(By Request -  
Baltimore County Administration)

Economic Matters

Finance

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Baltimore County - Miscellaneous Business Licenses - Fees

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This bill alters licensing fees that persons in Baltimore County must pay to engage in various types of commercial enterprises.

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Fiscal Summary

**State Effect:** Minimal increase in general fund revenues due to higher fees charged to certain persons in Baltimore County. Any modifications to the electronic licensing system maintained by the Judiciary (Administrative Office of the Courts) are not expected to be significant and can be handled with existing resources.

**Local Effect:** Revenues in Baltimore County increase due to the fee increases in the bill.

**Small Business Effect:** Minimal. Licensing fees paid by many small businesses in Baltimore County increase due to the bill.

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Analysis

**Bill Summary/Current Law:** The following license fees in Baltimore County are altered by the bill:

- licenses to keep a billiard table for commercial use;
- resident and nonresident construction licenses;
- licenses for garages where motor vehicles are stored for a fee;
- licenses to do business cleaning, dyeing, pressing, or laundering clothing;
- licenses to operate a business as a plumber or gas fitter;

- restaurant licenses;
- trader's licenses; and
- chain store licenses.

The licensing fees that may be charged by each county to persons operating certain types of businesses are set in State law. In Baltimore City and Cecil County, the amount of the fee charged for each type of license may vary somewhat from that charged in other counties – typically higher fees are charged in those jurisdictions. **Exhibit 1** displays the current and proposed fees for each type of license in Baltimore County. Under the bill, the fee for each billiard table in Baltimore County is eliminated. In every other case, the fees charged in Baltimore County are increased and, for most licenses affected, now conform to the fees charged in Baltimore City.

Licenses are issued, and licensing fees are collected, by the Clerk of the Circuit Court for Baltimore County. Although the licenses are issued by the circuit court clerk, the Judiciary (Administrative Office of the Courts) maintains the central electronic licensing system for these licenses issued in the State.

**State Fiscal Effect:** These licenses are issued by the Clerk of the Circuit Court for Baltimore County. In general, the county keeps 92% of the licensing fee revenue, the clerk's office retains 5% of the revenue, and 3% of the revenue reverts to the general fund. The increase in the rate of fees assessed by Baltimore County for the various business licenses results in an increase in general fund revenue. However, because only 3% of the net increase in revenue reverts to the general fund in most cases, the impact on State finances is expected to be minimal. Expenditures are not affected.

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**Exhibit 1**  
**Baltimore County Business Licensing Fees**

<u>Type of License</u>	<u>Current Licensing Fees</u>	<u>Licensing Fees Under the Bill</u>
Billiard table license	\$10 per table	None
Resident construction license	\$15	\$40
Nonresident construction license	\$50 <sup>1</sup>	\$60 <sup>1</sup>
Garage license	\$20 to \$200, depending on the size of the garage	\$6 for each 100 square-feet of each garage
Laundry business license	\$15 to \$100, depending on the number of individuals employed by the business	\$40 to \$250, depending on the number of individuals employed by the business
Plumber/gas fitter business license	\$5 to \$15, depending on the size of the municipal corporation within which the business is located <sup>2</sup>	\$40 <sup>2</sup>
Restaurant license	\$10	\$50
Trader's license	\$15 to \$800, depending on the value of the business's stock and trade	\$20 to \$1,600, depending on the value of the business's stock and trade
Chain store license	\$5 to \$150, depending on the number of stores operated; must also obtain a trader's license	\$12 to \$375, depending on the number of stores operated; must also obtain a trader's license

<sup>1</sup>An applicant for a nonresident construction license from another state must pay that state's construction license fee if it is higher than Maryland's fee.

<sup>2</sup>An applicant for a nonresident plumber/gas fitter license from another state must pay that state's license fee if it is higher than Maryland's fee.

Source: Business Regulation Article, Laws of Maryland

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 876 (Senator Klausmeier)(By Request - Baltimore County Administration) - Finance.

**Information Source(s):** Baltimore County; Judiciary (Administrative Office of the Courts); Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 16, 2011  
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