

Chapter 344

(Senate Bill 1068)

AN ACT concerning

Commission to Study the Regulation of Payroll Services

FOR the purpose of establishing the Commission to Study the Regulation of Payroll Services; providing for the composition, chair, and staffing of the Commission; prohibiting a member of the Commission from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Commission to study and make recommendations regarding certain matters; requiring the Commission to report its findings and recommendations to certain committees of the General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the Commission to Study the Regulation of Payroll Services.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

- (a) There is a Commission to Study the Regulation of Payroll Services.
- (b) The Commission consists of the following members:
 - (1) one member of the Senate of Maryland, appointed by the President of the Senate;
 - (2) one member of the House of Delegates, appointed by the Speaker of the House;
 - (3) the Comptroller, or the Comptroller's designee;
 - (4) the Attorney General, or the Attorney General's designee;
 - (5) the Secretary of Labor, Licensing, and Regulation, or the Secretary's designee;
 - (6) one representative of the Maryland Chamber of Commerce, designated by the Maryland Chamber of Commerce;
 - (7) the Director of Assessments and Taxation, or the Director's designee; ~~and~~

(8) one representative of the federal Internal Revenue Service or a taxpayer advocate, appointed by the Governor; and

~~(8)~~ (9) one member of the public with experience in financial services, appointed by the Governor.

(c) The Comptroller or the Comptroller's designee shall serve as chair of the Commission.

(d) The Office of the Comptroller shall provide staff for the Commission.

(e) A member of the Commission:

(1) may not receive compensation as a member of the Commission; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(f) The Commission shall:

~~(1) study the regulation of payroll service companies in other jurisdictions, including:~~

~~(i) any licensing or permitting requirements; and~~

~~(ii) whether payroll service companies are required to be bonded or licensed; and~~

~~(2) make recommendations regarding best practices for regulating payroll service companies in Maryland.~~

(1) study:

(i) the function, size, and structure of the payroll services industry operating in the State;

(ii) the role of the payroll services industry in the tax payment system at the State and federal levels; and

(iii) the nature, oversight, and regulation of payroll service companies in other jurisdictions, including any licensing, permitting, and bonding requirements; and

(2) make recommendations for regulating payroll service companies in the State, including:

(i) the best practices for preventing fraud by payroll service companies in the collection and payment of taxes; and

(ii) the feasibility and cost of establishing State licensure or registration of payroll service companies, including requiring qualifying examinations and the potential benefits of licensure or registration.

(g) On or before December 15, 2013, the Commission shall report its findings and recommendations to the Senate ~~Education, Health, and Environmental Affairs~~ Finance Committee and the House Economic Matters Committee, in accordance with § 2-1246 of the State Government Article.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect ~~July~~ June 1, 2013. It shall remain effective for a period of 1 year and 1 month and, at the end of June 30, 2014, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.

Approved by the Governor, May 2, 2013.