

Article - Business Regulation

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§1–209.

(a) If payment of the fee for the issuance or renewal of a license, issued by the Department or by a unit within the Department, is made by a check or other negotiable instrument that is dishonored, the license for which the fee was paid shall be suspended by operation of law. Except as provided in subsections (b) and (c) of this section, the suspension is effective beginning on the tenth business day after the day on which the notice is sent in accordance with subsection (b) of this section until the date that payment of the fee, and any late charge provided for in this article, has been made.

(b) (1) When the Department or a unit within the Department receives notice that a check or other negotiable instrument, given by an applicant in payment of a license issuance or renewal fee, has been dishonored, it shall inform the applicant by regular mail sent to the applicant's last known business address, that the license will be suspended by operation of law if within 10 business days after the date of the notice the applicant fails to make payment of the fee, and any late charge, or fails to present evidence to the Department or unit that the notice of dishonor was in error.

(2) An applicant shall be given a prompt opportunity to make payment of the fee, and any late charge, or to present evidence to the Department or unit that the notice of dishonor was in error.

(c) If a license is suspended under subsection (a) of this section, the license shall be reinstated effective the date the license was suspended if within 5 business days from the date of the suspension the applicant:

(1) pays the fee and late charge; or

(2) presents evidence to the Department or the unit that the notice of dishonor was in error.

(d) Suspension of a license under this section may not affect any otherwise valid claim under any guaranty fund made by a person who dealt in good faith with a licensee, without knowledge of the suspension.

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