
By: Chairman, Economic Matters Committee (Departmental - Labor, Licensing and Regulation)

Introduced and read first time: February 9, 1996

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business Occupations and Professions - Dishonor of License Fee Payment**

3 FOR the purpose of providing for the suspension of a license issued or renewed by the
4 Department of Labor, Licensing, and Regulation where payment of the license fee
5 is dishonored; providing for the sending of a certain notice of dishonor; providing
6 for an opportunity to be given to the licensee to respond to the notice; and
7 providing for the effect of a suspension on a guaranty fund claim; and generally
8 relating to business occupations and professions.

9 BY adding to

10 Article - Business Occupations and Professions
11 Section 1-207
12 Annotated Code of Maryland
13 (1995 Replacement Volume and 1995 Supplement)

14 BY adding to

15 Article - Business Regulation
16 Section 1-208
17 Annotated Code of Maryland
18 (1992 Volume and 1995 Supplement)

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

21 **Article - Business Occupations and Professions**

22 1-207.

23 (A) IF PAYMENT OF THE FEE FOR THE ISSUANCE OR RENEWAL OF A LICENSE,
24 ISSUED BY THE DEPARTMENT OR BY A UNIT WITHIN THE DEPARTMENT, IS MADE BY
25 A CHECK OR OTHER NEGOTIABLE INSTRUMENT THAT IS DISHONORED, THE LICENSE
26 FOR WHICH THE FEE WAS PAID SHALL BE SUSPENDED BY OPERATION OF LAW FROM
27 THE DATE THE LICENSE WAS ISSUED OR RENEWED UNTIL THE DATE THAT
28 PAYMENT OF THE FEE, AND ANY LATE CHARGE PROVIDED FOR IN THIS ARTICLE,
29 HAS BEEN MADE.

1 (B) WHEN THE DEPARTMENT OR A UNIT WITHIN THE DEPARTMENT
2 RECEIVES NOTICE THAT A CHECK OR OTHER NEGOTIABLE INSTRUMENT, GIVEN BY
3 AN APPLICANT IN PAYMENT OF A LICENSE ISSUANCE OR RENEWAL FEE, HAS BEEN
4 DISHONORED, IT SHALL INFORM THE APPLICANT BY REGULAR MAIL SENT TO THE
5 APPLICANT'S LAST KNOWN BUSINESS ADDRESS, THAT THE LICENSE HAS BEEN
6 SUSPENDED BY OPERATION OF LAW. AN APPLICANT SHALL BE GIVEN A PROMPT
7 OPPORTUNITY TO MAKE PAYMENT OF THE FEE, AND ANY LATE CHARGE, OR TO
8 PRESENT EVIDENCE TO THE DEPARTMENT OR UNIT THAT THE NOTICE OF
9 DISHONOR WAS IN ERROR.

10 (C) IF PAYMENT OF THE FEE AND ANY LATE CHARGE IS MADE BY THE
11 APPLICANT WITHIN 5 BUSINESS DAYS AFTER THE SENDING OF THE NOTICE OF
12 DISHONOR REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, THE LICENSE
13 SHALL BE REINSTATED EFFECTIVE THE DATE THE LICENSE WAS ISSUED OR
14 RENEWED.

15 (D) SUSPENSION OF A LICENSE UNDER THIS SECTION SHALL NOT AFFECT ANY
16 OTHERWISE VALID CLAIM UNDER ANY GUARANTY FUND MADE BY A PERSON WHO
17 DEALT IN GOOD FAITH WITH A LICENSEE, WITHOUT KNOWLEDGE OF THE
18 SUSPENSION.

19 **Article - Business Regulation**

20 1-208.

21 (A) IF PAYMENT OF THE FEE FOR THE ISSUANCE OR RENEWAL OF A LICENSE,
22 ISSUED BY THE DEPARTMENT OR BY A UNIT WITHIN THE DEPARTMENT, IS MADE BY
23 A CHECK OR OTHER NEGOTIABLE INSTRUMENT THAT IS DISHONORED, THE LICENSE
24 FOR WHICH THE FEE WAS PAID SHALL BE SUSPENDED BY OPERATION OF LAW FROM
25 THE DATE THE LICENSE WAS ISSUED OR RENEWED UNTIL THE DATE THAT
26 PAYMENT OF THE FEE, AND ANY LATE CHARGE PROVIDED FOR IN THIS ARTICLE,
27 HAS BEEN MADE.

28 (B) WHEN THE DEPARTMENT OR A UNIT WITHIN THE DEPARTMENT
29 RECEIVES NOTICE THAT A CHECK OR OTHER NEGOTIABLE INSTRUMENT, GIVEN BY
30 AN APPLICANT IN PAYMENT OF A LICENSE ISSUANCE OR RENEWAL FEE, HAS BEEN
31 DISHONORED, IT SHALL INFORM THE APPLICANT BY REGULAR MAIL SENT TO THE
32 APPLICANT'S LAST KNOWN BUSINESS ADDRESS, THAT THE LICENSE HAS BEEN
33 SUSPENDED BY OPERATION OF LAW. AN APPLICANT SHALL BE GIVEN A PROMPT
34 OPPORTUNITY TO MAKE PAYMENT OF THE FEE, AND ANY LATE CHARGE, OR TO
35 PRESENT EVIDENCE TO THE DEPARTMENT OR UNIT THAT THE NOTICE OF
36 DISHONOR WAS IN ERROR.

37 (C) IF PAYMENT OF THE FEE AND ANY LATE CHARGE IS MADE BY THE
38 APPLICANT WITHIN 5 BUSINESS DAYS AFTER THE SENDING OF THE NOTICE OF
39 DISHONOR REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, THE LICENSE
40 SHALL BE REINSTATED EFFECTIVE THE DATE THE LICENSE WAS ISSUED OR
41 RENEWED.

42 (D) SUSPENSION OF A LICENSE UNDER THIS SECTION SHALL NOT AFFECT ANY
43 OTHERWISE VALID CLAIM UNDER ANY GUARANTY FUND MADE BY A PERSON WHO

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1 DEALT IN GOOD FAITH WITH A LICENSEE, WITHOUT KNOWLEDGE OF THE
2 SUSPENSION.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 1996.