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

Introduced and read first time: February 9, 1996

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 1996

Recommitted to: Economic Matters, March 22, 1996

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 23, 1996

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CHAPTER \_\_\_\_

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 that a suspension is effective only under certain circumstances and after a certain  
7 time period; providing for an opportunity to be given to the ~~licensee~~ applicant for  
8 license issuance or renewal to respond to the notice; and providing for the effect of  
9 a suspension on a guaranty fund claim; and generally relating to business  
10 occupations and professions.

11 BY adding to

12 Article - Business Occupations and Professions

13 Section 1-207

14 Annotated Code of Maryland

15 (1995 Replacement Volume and 1995 Supplement)

16 BY adding to

17 Article - Business Regulation

18 Section 1-208

19 Annotated Code of Maryland

20 (1992 Volume and 1995 Supplement)

2

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

3 **Article - Business Occupations and Professions**

4 1-207.

5 (A) IF PAYMENT OF THE FEE FOR THE ISSUANCE OR RENEWAL OF A LICENSE,  
6 ISSUED BY THE DEPARTMENT OR BY A UNIT WITHIN THE DEPARTMENT, IS MADE BY  
7 A CHECK OR OTHER NEGOTIABLE INSTRUMENT THAT IS DISHONORED, THE LICENSE  
8 FOR WHICH THE FEE WAS PAID SHALL BE SUSPENDED BY OPERATION OF LAW ~~FROM~~  
9 ~~THE DATE THE LICENSE WAS ISSUED OR RENEWED. EXCEPT AS PROVIDED IN~~  
10 SUBSECTIONS (B) AND (C) OF THIS SECTION, THE SUSPENSION IS EFFECTIVE  
11 BEGINNING ON THE TENTH BUSINESS DAY AFTER THE DAY ON WHICH NOTICE IS  
12 SENT IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION UNTIL THE DATE  
13 THAT PAYMENT OF THE FEE, AND ANY LATE CHARGE PROVIDED FOR IN THIS  
14 ARTICLE, HAS BEEN MADE.

15 (B) (1) WHEN THE DEPARTMENT OR A UNIT WITHIN THE DEPARTMENT  
16 RECEIVES NOTICE THAT A CHECK OR OTHER NEGOTIABLE INSTRUMENT, GIVEN BY  
17 AN APPLICANT IN PAYMENT OF A LICENSE ISSUANCE OR RENEWAL FEE, HAS BEEN  
18 DISHONORED, IT SHALL INFORM THE APPLICANT BY REGULAR MAIL SENT TO THE  
19 APPLICANT'S LAST KNOWN BUSINESS ADDRESS, THAT THE LICENSE ~~HAS BEEN~~ WILL  
20 BE SUSPENDED BY OPERATION OF LAW- IF WITHIN 10 BUSINESS DAYS FROM THE  
21 DATE OF THE NOTICE THE APPLICANT FAILS TO MAKE PAYMENT OF THE FEE, AND  
22 ANY LATE CHARGE, OR FAILS TO PRESENT EVIDENCE TO THE DEPARTMENT OR  
23 UNIT THAT THE NOTICE OF DISHONOR WAS IN ERROR.

24 (2) AN APPLICANT SHALL BE GIVEN A PROMPT OPPORTUNITY TO MAKE  
25 PAYMENT OF THE FEE, AND ANY LATE CHARGE, OR TO PRESENT EVIDENCE TO THE  
26 DEPARTMENT OR UNIT THAT THE NOTICE OF DISHONOR WAS IN ERROR.

27 (C) ~~IF PAYMENT OF THE FEE AND ANY LATE CHARGE IS MADE BY THE~~  
28 ~~APPLICANT WITHIN 5 10 BUSINESS DAYS AFTER THE SENDING OF THE NOTICE OF~~  
29 ~~DISHONOR REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, THE LICENSE~~  
30 ~~SHALL BE REINSTATED EFFECTIVE THE DATE THE LICENSE WAS ISSUED OR~~  
31 ~~RENEWED IF A LICENSE IS SUSPENDED UNDER SUBSECTION (A) OF THIS SECTION,~~  
32 THE LICENSE SHALL BE REINSTATED EFFECTIVE THE DATE THAT THE LICENSE WAS  
33 SUSPENDED, IF WITHIN 5 BUSINESS DAYS AFTER THE DATE OF THE SUSPENSION THE  
34 APPLICANT:

35 (I) PAYS THE LATE FEE AND ANY LATE CHARGE; OR

36 (II) PRESENTS EVIDENCE TO THE DEPARTMENT OR THE UNIT  
37 THAT THE NOTICE OF DISHONOR WAS IN ERROR.

38 (D) SUSPENSION OF A LICENSE UNDER THIS SECTION ~~SHALL~~ MAY NOT  
39 AFFECT ANY OTHERWISE VALID CLAIM UNDER ANY GUARANTY FUND MADE BY A  
40 PERSON WHO DEALT IN GOOD FAITH WITH A LICENSEE, WITHOUT KNOWLEDGE OF  
41 THE SUSPENSION.

3

1 **Article - Business Regulation**

2 1-208.

3 (A) IF PAYMENT OF THE FEE FOR THE ISSUANCE OR RENEWAL OF A LICENSE,  
4 ISSUED BY THE DEPARTMENT OR BY A UNIT WITHIN THE DEPARTMENT, IS MADE BY  
5 A CHECK OR OTHER NEGOTIABLE INSTRUMENT THAT IS DISHONORED, THE LICENSE  
6 FOR WHICH THE FEE WAS PAID SHALL BE SUSPENDED BY OPERATION OF LAW ~~FROM~~  
7 ~~THE DATE THE LICENSE WAS ISSUED OR RENEWED, EXCEPT AS PROVIDED IN~~  
8 SUBSECTIONS (B) AND (C) OF THIS SECTION, THE SUSPENSION IS EFFECTIVE  
9 BEGINNING ON THE TENTH BUSINESS DAY AFTER THE DAY ON WHICH THE NOTICE  
10 IS SENT IN ACCORDANCE WITH SUBSECTION (B) OF THIS SECTION UNTIL THE DATE  
11 THAT PAYMENT OF THE FEE, AND ANY LATE CHARGE PROVIDED FOR IN THIS  
12 ARTICLE, HAS BEEN MADE.

13 (B) (1) WHEN THE DEPARTMENT OR A UNIT WITHIN THE DEPARTMENT  
14 RECEIVES NOTICE THAT A CHECK OR OTHER NEGOTIABLE INSTRUMENT, GIVEN BY  
15 AN APPLICANT IN PAYMENT OF A LICENSE ISSUANCE OR RENEWAL FEE, HAS BEEN  
16 DISHONORED, IT SHALL INFORM THE APPLICANT BY REGULAR MAIL SENT TO THE  
17 APPLICANT'S LAST KNOWN BUSINESS ADDRESS, THAT THE LICENSE ~~HAS BEEN~~ WILL  
18 BE SUSPENDED BY OPERATION OF LAW- IF WITHIN 10 BUSINESS DAYS AFTER THE  
19 DATE OF THE NOTICE THE APPLICANT FAILS TO MAKE PAYMENT OF THE FEE, AND  
20 ANY LATE CHARGE, OR FAILS TO PRESENT EVIDENCE TO THE DEPARTMENT OR  
21 UNIT THAT THE NOTICE OF DISHONOR WAS IN ERROR.

22 (2) AN APPLICANT SHALL BE GIVEN A PROMPT OPPORTUNITY TO MAKE  
23 PAYMENT OF THE FEE, AND ANY LATE CHARGE, OR TO PRESENT EVIDENCE TO THE  
24 DEPARTMENT OR UNIT THAT THE NOTICE OF DISHONOR WAS IN ERROR.

25 ~~(C) IF PAYMENT OF THE FEE AND ANY LATE CHARGE IS MADE BY THE~~  
26 ~~APPLICANT WITHIN 5 10 BUSINESS DAYS AFTER THE SENDING OF THE NOTICE OF~~  
27 ~~DISHONOR REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, THE LICENSE~~  
28 ~~SHALL BE REINSTATED EFFECTIVE THE DATE THE LICENSE WAS ISSUED OR~~  
29 ~~RENEWED IF A LICENSE IS SUSPENDED UNDER SUBSECTION (A) OF THIS SECTION,~~  
30 THE LICENSE SHALL BE REINSTATED EFFECTIVE THE DATE THE LICENSE WAS  
31 SUSPENDED IF WITHIN 5 BUSINESS DAYS FROM THE DATE OF THE SUSPENSION THE  
32 APPLICANT:

33 (I) PAYS THE FEE AND LATE CHARGE; OR

34 (II) PRESENTS EVIDENCE TO THE DEPARTMENT OR THE UNIT  
35 THAT THE NOTICE OF DISHONOR WAS IN ERROR.

36 (D) SUSPENSION OF A LICENSE UNDER THIS SECTION ~~SHALL~~ MAY NOT  
37 AFFECT ANY OTHERWISE VALID CLAIM UNDER ANY GUARANTY FUND MADE BY A  
38 PERSON WHO DEALT IN GOOD FAITH WITH A LICENSEE, WITHOUT KNOWLEDGE OF  
39 THE SUSPENSION.

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

