

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

Senate Bill 380 (Senator Bromwell)
Finance

Maryland Business Opportunities Sales Act - Revision

This bill expands the definition of a business opportunity under the Maryland Business Opportunities Sales Act and increases the remedies available to the Maryland Securities Commissioner to enforce compliance. The remedies include obtaining a maximum civil penalty of \$5,000 for any single violation of the Act by bringing suit in circuit court.

Fiscal Summary

State Effect: Indeterminate revenue increase. No effect on expenditures.

Local Effect: None.

Fiscal Analysis

State Revenues: General fund revenues could increase by less than \$5,000 annually due to an increase in the number of business opportunity registrations filed or renewed under the expanded provisions of the Act. The filing fee for an initial registration is \$250 and the annual renewal fee is \$100.

There is also the potential that general fund revenues could increase under the bill's monetary penalty provision. This would depend upon the number and success rate of suits brought by the Securities Commissioner and the dollar amount of civil penalties sought and obtained.

State Expenditures: Any anticipated increase in expenditures resulting from this bill can be handled with the existing budgeted resources of the Securities Commissioner. The agency estimates this cost to be \$2,200 in fiscal 1997.

Information Source(s): Office of the Attorney General (Securities Commissioner), Department of Business and Economic Development (Office of Business and Economic Research), Department of Labor, Licensing and Regulation, Department of Fiscal Services

Fiscal Note History: First Reader - February 20, 1996

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