
By: Delegates DeCarlo and Holt

Introduced and read first time: February 21, 1997
Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments
House action: Adopted
Read second time: March 19, 1997

CHAPTER ____

1 AN ACT concerning

2 **Drivers' Schools - Tax and Unemployment Insurance Wage Reports -- ~~Additional Reports~~**
3 **~~to Motor Vehicle Administration Information - Verification~~**

4 FOR the purpose of requiring each drivers' school to submit a copy of the school's
5 ~~quarterly report of wage information filed under the Labor and Employment Article~~
6 ~~to the Motor Vehicle Administration; requiring the Motor Vehicle Administration~~
7 ~~to review each school's quarterly report for certain discrepancies; and the Motor~~
8 ~~Vehicle Administration to verify certain information through the Office of the~~
9 ~~Comptroller when issuing a license or renewing a license of a drivers' school;~~
10 ~~specifying certain consequences if the Administration finds certain discrepancies;~~
11 providing for the suspension of a drivers' school's license under certain
12 circumstances; and generally relating to verification of certain payments at the time
13 of licensure or renewal of the license of a drivers' school.

14 BY adding to

15 Article - Transportation
16 Section 15-711
17 Annotated Code of Maryland
18 (1992 Replacement Volume and 1996 Supplement)

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

21 **Article - Transportation**

22 15-711.

23 (A) TO ENSURE COMPLIANCE WITH STATE AND FEDERAL TAX LAWS, A
24 ~~DRIVERS' SCHOOL SHALL SUBMIT TO THE MOTOR VEHICLE ADMINISTRATION A~~

1 ~~CERTIFIED COPY OF THE SCHOOL'S QUARTERLY WAGE REPORT, FILED UNDER §~~
2 ~~8-626 OF THE LABOR AND EMPLOYMENT ARTICLE.~~

3 ~~(B) THE MOTOR VEHICLE ADMINISTRATION SHALL REVIEW EACH SCHOOL'S~~
4 ~~QUARTERLY WAGE REPORT TO ENSURE THAT THE SCHOOL HAS WITHHELD THE~~
5 ~~PROPER TAXES FOR EACH LICENSED INSTRUCTOR ON RECORD WITH THE~~
6 ~~ADMINISTRATION EMPLOYED BY THE SCHOOL WHEN ISSUING A LICENSE OR~~
7 ~~RENEWING A LICENSE OF A DRIVERS' SCHOOL. THE ADMINISTRATION SHALL~~
8 ~~VERIFY THROUGH THE OFFICE OF THE COMPTROLLER THAT:~~

9 (1) ALL TAXES, UNEMPLOYMENT INSURANCE CONTRIBUTIONS,
10 REIMBURSEMENT PAYMENTS, AND INTEREST NOT BARRED BY LIMITATIONS AND
11 PAYABLE BY THE DRIVERS' SCHOOL TO THE COMPTROLLER, THE DEPARTMENT OF
12 ASSESSMENTS AND TAXATION, AND THE SECRETARY OF BUSINESS AND ECONOMIC
13 DEVELOPMENT ARE PAID; OR

14 (2) PAYMENT HAS BEEN PROVIDED FOR IN A MANNER SATISFACTORY
15 TO THE UNIT RESPONSIBLE FOR COLLECTION.

16 ~~(C) (B) IF THE MOTOR VEHICLE ADMINISTRATION FINDS ANY~~
17 ~~DISCREPANCY BETWEEN A SCHOOL'S LIST OF LICENSED INSTRUCTORS ON RECORD~~
18 ~~WITH THE ADMINISTRATION AND THE LIST OF INSTRUCTORS IN THE SCHOOL'S~~
19 ~~QUARTERLY REPORT FOR WHOM TAXES HAVE BEEN WITHHELD INFORMATION~~
20 ~~OBTAINED THROUGH THE OFFICE OF THE COMPTROLLER:~~

21 (1) THE SCHOOL SHALL BE GIVEN THE OPPORTUNITY TO ACCOUNT FOR
22 THE DISCREPANCY; AND

23 (2) FAILURE TO ACCOUNT FOR THE DISCREPANCY SHALL:

24 (I) BE DEEMED THE COMMISSION OF A FRAUD IN CONNECTION
25 WITH THE BUSINESS CONDUCTED UNDER THE LICENSE UNDER § 15-710(A)(4) OF THIS
26 SUBTITLE; AND

27 (II) RESULT IN SUSPENSION OF THE SCHOOL'S LICENSE BY THE
28 ADMINISTRATION.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 October 1, 1997.