

Department of Legislative Services  
Maryland General Assembly  
1999 Session

**FISCAL NOTE**

Senate Bill 310 (Senator Hafer)

Finance

---

**Traders' Licenses - Fees**

---

This bill increases the fees for traders' licenses for businesses that carry inventories greater than \$750,000. Under current law, the maximum fee that a trader pays is \$800. This bill provides a maximum fee of \$11,000.

---

**Fiscal Summary**

**State Effect:** Indeterminate increase in general fund revenues from increased traders' licensing fees.

**Local Effect:** Indeterminate increase in revenues from increased traders' licensing fees.

**Small Business Effect:** Minimal effect.

---

**Fiscal Analysis**

**State Effect:** General fund revenues would increase to the extent that the clerks of the circuit courts collect increased licensing fees from traders' holding inventories that exceed \$750,000. Eight percent of these licensing fees go to the general fund. The Department of Legislative Services has not been provided with any information on which to base an estimate of the increased revenues.

**Local Effect:** Local government revenues would increase to the extent that the clerks of the circuit courts collect increased licensing fees from traders' holding inventories that exceed \$750,000. Ninety-two percent of traders' licensing fees accrue to local governments.

**Small Business:** Under current law, the traders' licensing fee schedule is regressive in nature. For example, a small retailer with \$10,000 worth of inventory pays \$65 (.65% of its

total inventory), whereas a retailer with \$10,000,000 worth of inventory pays \$800 (.00008% of its total inventory). The bill would require a trader with inventories of \$10,000,000 to pay a licensing fee of \$11,000 (.001% of its total inventory).

This bill would increase the licensing fees for small businesses with a stock in trade valued at more than \$750,000. However, it is assumed that most small businesses do not have inventories that exceed \$750,000. To the extent that this bill erodes one of the competitive advantages of businesses with inventories exceeding \$750,000, small businesses with small inventories could benefit.

---

**Information Sources:** Judiciary; Attorney General's Office; Department of Assessments and Taxation; Department of Labor, Licensing, and Regulation

**Fiscal Note History:** First Reader - February 22, 1999

ncs/jr

---

Analysis by: Jo Ellan Jordan

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 946-5510

(301) 970-5510