

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

House Bill 93 (Chairman, Economic Matters Committee)  
(Departmental - Comptroller)  
Economic Matters

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Business Licenses - Penalties

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This departmental bill increases the fine for the failure to obtain or display specified business licenses from \$100 to \$300.

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Fiscal Summary

**State Effect:** Potential minimal increase in general fund revenues as a result of the increased fine. Enforcement could be handled with existing agency resources.

**Local Effect:** None.

**Small Business Effect:** The Comptroller of the Treasury, Field Enforcement Division, has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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Analysis

**Current Law:** A person who fails to obtain and display specified business licenses is guilty of a misdemeanor and subject to a fine of up to \$100 or imprisonment for up to 30 days.

**Background:** According to the Comptroller, the current fine of \$100 for not obtaining and displaying the appropriate business licenses is not an adequate enough deterrent to prevent some businesses from ignoring the law, because the current fine is much less than the cost of a license (for example, a trader's license is \$800). The bill is being introduced in order to increase compliance with the law.

**State Fiscal Effect:** In calendar 1999 there were approximately 7,200 delinquent business licenses. However, only 17 citations were issued in fiscal 1999 for delinquent business licenses. For the first part of fiscal 2000 (July 1 - December 1, 1999) 216 citations have been issued. The Comptroller's Office could not provide information on the amount of revenue collected as a result of the citations issued. To the extent that holders of delinquent business licenses are issued the increased fine, general fund revenues would increase accordingly. However, the amount of any increase cannot be estimated at this time.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Comptroller of the Treasury (Field Enforcement Division),  
Department of Legislative Services

**Fiscal Note History:** First Reader - January 24, 2000  
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