
By: **The Minority Leader (By Request - Administration)**

Introduced and read first time: February 12, 2003

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Compliance Act of 2003**

3 FOR the purpose of requiring that before certain licenses or permits issued by the
4 State are renewed, the issuing authority shall verify through the Office of the
5 Comptroller that certain taxes and unemployment contributions have been paid
6 or that payment has been provided for in a certain manner; requiring certain
7 fiduciary institutions to disclose certain information requested by the
8 Comptroller relative to certain accounts in the name of an individual whose
9 property is subject to a tax lien; providing that certain provisions of law do not
10 prohibit a fiduciary institution from disclosing certain financial records that the
11 Comptroller determines are necessary to enforce the tax laws of the State;
12 altering the time for filing of certain income tax withholding returns under
13 certain circumstances; requiring the transferee of certain property to withhold
14 and remit to the Comptroller a certain part of the total payment for property
15 that is sold or exchanged by certain nonresidents of the State or certain
16 out-of-state entities; providing that the amounts required to be withheld on the
17 sale or exchange of certain property by certain nonresidents and certain
18 out-of-state entities are a personal liability of the transferee of the property and
19 a lien on the property of the transferee for a certain period of time; providing
20 that certain tax information may be disclosed to certain license issuing
21 authorities of the State required by law to verify certain tax compliance before
22 renewing a license or permit; authorizing the Comptroller to request certain
23 information and assistance from financial institutions to enable the Comptroller
24 to enforce the tax laws of the State; requiring a financial institution that
25 receives a request from the Comptroller to submit a certain report to the
26 Comptroller regarding certain persons whose property is subject to a tax lien;
27 prohibiting certain disclosure or use of certain information contained in and
28 related to certain requests by the Comptroller to a financial institution;
29 requiring the Comptroller to promptly give certain notice of a tax lien to certain
30 financial institutions; requiring a financial institution under certain
31 circumstances to seize and attach certain accounts of certain persons whose
32 property is subject to a tax lien; requiring a financial institution under certain
33 circumstances to pay to the Comptroller within a certain period of receiving a
34 certain notice certain amounts in the accounts of certain persons whose property
35 is subject to a tax lien; providing that a tax lien for certain taxes extends to and

1 covers certain salary, wages, or other compensation for personal services;
2 requiring the Comptroller to adopt certain regulations; making the provisions of
3 this Act severable; defining certain terms; providing for the effective dates and
4 application of this Act; and generally relating to the enforcement of State tax
5 laws.

6 BY repealing and reenacting, with amendments,
7 Article - Business Occupations and Professions
8 Section 1-204
9 Annotated Code of Maryland
10 (2000 Replacement Volume and 2002 Supplement)

11 BY adding to
12 Article - Business Regulation
13 Section 1-210
14 Annotated Code of Maryland
15 (1998 Replacement Volume and 2002 Supplement)

16 BY adding to
17 Article - Environment
18 Section 1-203
19 Annotated Code of Maryland
20 (1996 Replacement Volume and 2002 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article - Financial Institutions
23 Section 1-302 and 1-303
24 Annotated Code of Maryland
25 (1998 Replacement Volume and 2002 Supplement)

26 BY adding to
27 Article - Health Occupations
28 Section 1-213
29 Annotated Code of Maryland
30 (2000 Replacement Volume and 2002 Supplement)

31 BY adding to
32 Article - Natural Resources
33 Section 1-402
34 Annotated Code of Maryland
35 (2000 Replacement Volume and 2002 Supplement)

36 BY adding to
37 Article - Tax - General

1 Section 1-205, 10-912, 13-803, and 13-812
2 Annotated Code of Maryland
3 (1997 Replacement Volume and 2002 Supplement)

4 BY repealing and reenacting, with amendments,
5 Article - Tax - General
6 Section 10-822, 13-203(c), and 13-811
7 Annotated Code of Maryland
8 (1997 Replacement Volume and 2002 Supplement)

9 BY adding to
10 Article - Transportation
11 Section 1-103
12 Annotated Code of Maryland
13 (2001 Replacement Volume and 2002 Supplement)

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

16 **Article - Business Occupations and Professions**

17 1-204.

18 (A) Before any license or permit may be issued [or renewed] under this
19 article, the applicant shall certify to the issuing authority that the applicant has paid
20 all undisputed taxes and unemployment insurance contributions payable to the
21 Comptroller or the Department of Labor, Licensing, and Regulation or has provided
22 for payment in a manner satisfactory to the unit responsible for collection.

23 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
24 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
25 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
26 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
27 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
28 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
29 RESPONSIBLE FOR COLLECTION.

30 **Article - Business Regulation**

31 1-210.

32 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
33 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
34 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
35 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
36 LICENSE.

1 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
2 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
3 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
4 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
5 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
6 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
7 RESPONSIBLE FOR COLLECTION.

8 **Article - Environment**

9 1-203.

10 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
11 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
12 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
13 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
14 LICENSE.

15 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
16 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
17 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
18 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
19 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
20 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
21 RESPONSIBLE FOR COLLECTION.

22 **Article - Financial Institutions**

23 1-302.

24 Except as otherwise expressly provided in this subtitle, a fiduciary institution,
25 its officers, employees, agents, and directors:

26 (1) May not disclose to any person any financial record relating to a
27 customer of the institution unless:

28 (i) The customer has authorized the disclosure to that person;

29 (ii) Proceedings have been instituted for appointment of a guardian
30 of the property or of the person of the customer, and court-appointed counsel presents
31 to the fiduciary institution an order of appointment or a certified copy of the order
32 issued by or under the direction or supervision of the court or an officer of the court;

33 (iii) The customer is disabled and a guardian is appointed or
34 qualified by a court, and the guardian presents to the fiduciary institution an order of
35 appointment or a certified copy of the order issued by or under the direction or
36 supervision of the court or an officer of the court;

37 (iv) The customer is deceased and a personal representative is
38 appointed or qualified by a court, and the personal representative presents to the

1 fiduciary institution letters of administration issued by or under the direction or
2 supervision of the court or an officer of the court;

3 (v) The Department of Human Resources requests the financial
4 record in the course of verifying the individual's eligibility for public assistance; [or]

5 (vi) The institution received a request, notice, or subpoena for
6 information directly from the Child Support Enforcement Administration of the
7 Department of Human Resources under § 10-108.2, § 10-108.3, or § 10-108.5 of the
8 Family Law Article or indirectly through the Federal Parent Locator Service under 42
9 U.S.C. § 666(a)(17); [and] OR

10 (VII) THE INSTITUTION RECEIVED A REQUEST, NOTICE, OR
11 SUBPOENA FOR INFORMATION DIRECTLY FROM THE COMPTROLLER UNDER § 13-803
12 OR § 13-812 OF THE TAX - GENERAL ARTICLE;

13 (2) Shall disclose any information requested in writing by the
14 Department of Human Resources relative to moneys held in a savings deposit, time
15 deposit, demand deposit, or any other deposit held by the fiduciary institution in the
16 name of the individual who is a recipient or applicant for public assistance; AND

17 (3) SHALL DISCLOSE ANY INFORMATION REQUESTED IN WRITING BY
18 THE COMPTROLLER RELATIVE TO MONEYS HELD IN A SAVINGS DEPOSIT, TIME
19 DEPOSIT, DEMAND DEPOSIT, OR ANY OTHER DEPOSIT HELD BY THE FIDUCIARY
20 INSTITUTION, EXCEPT THE BALANCE OF THE DEPOSIT, IN THE NAME OF AN
21 INDIVIDUAL WHOSE PROPERTY IS SUBJECT TO A TAX LIEN.

22 1-303.

23 This subtitle does not prohibit:

24 (1) The preparation, examination, handling, or maintenance of financial
25 records by any officer, employee, or agent of a fiduciary institution that has custody of
26 the records;

27 (2) The examination of financial records by a certified public accountant
28 while engaged by a fiduciary institution to perform an independent audit;

29 (3) The examination of financial records by, or the disclosure of financial
30 records to, any officer, employee, or agent of a supervisory agency for use only in the
31 exercise of that person's duties as an officer, employee, or agent;

32 (4) The publication of information derived from financial records if the
33 information cannot be identified to any particular customer, deposit, or account;

34 (5) The making of reports or returns required or permitted by federal or
35 State law;

1 (6) The disclosure of any information permitted to be disclosed under
2 those provisions of the Commercial Law Article that relate to the dishonor of a
3 negotiable instrument;

4 (7) The exchange, in the regular course of business, of credit information
5 between a fiduciary institution and any other fiduciary institution or commercial
6 enterprise, if made directly or through a consumer reporting agency;

7 (8) The exchange, in the regular course of business, of a statement of a
8 mortgage account on the subject property in connection with a sale, refinancing, or
9 foreclosure, of real property; or the disclosure, in the regular course of business, of a
10 statement of a mortgage account on the subject property to the holder of any
11 subordinate mortgage or security interest;

12 (9) The disclosure to a State's Attorney of any information in accordance
13 with § 8-104(c) of the Criminal Law Article (regarding the presentation of a
14 certificate under oath to prove insufficient funds and dishonor of checks);

15 (10) A fiduciary institution from disclosing to the Department of Human
16 Resources an individual's financial records that the Department determines are
17 necessary to verify or confirm the individual's eligibility or ineligibility for public
18 assistance;

19 (11) In a prosecution outside the State for the crime of obtaining property
20 or services by bad check, the presentation to the prosecutor of a certificate under oath
21 by an authorized representative of a drawee that declares the dishonor of the check by
22 the drawee, the lack of an account with the drawee at the time of utterance, or the
23 insufficiency of the drawer's funds at the time of presentation and utterance; [or]

24 (12) The disclosure of the financial records of one of its customers by a
25 fiduciary institution to an affiliate that extends credit for the sole purpose of
26 evaluating a requested or existing extension of credit to that customer by an affiliate
27 of the fiduciary institution; OR

28 (13) A FIDUCIARY INSTITUTION FROM DISCLOSING TO THE
29 COMPTROLLER AN INDIVIDUAL'S FINANCIAL RECORDS THAT THE COMPTROLLER
30 DETERMINES ARE NECESSARY TO ENFORCE THE TAX LAWS OF THE STATE.

31 **Article - Health Occupations**

32 1-213.

33 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
34 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
35 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
36 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
37 LICENSE.

38 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
39 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE

1 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
2 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
3 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
4 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
5 RESPONSIBLE FOR COLLECTION.

6

Article - Natural Resources

7 1-402.

8 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
9 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
10 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
11 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
12 LICENSE.

13 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
14 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
15 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
16 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
17 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
18 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
19 RESPONSIBLE FOR COLLECTION.

20

Article - Tax - General

21 1-205.

22 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
23 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
24 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
25 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
26 LICENSE.

27 (B) BEFORE ANY LICENSE OR PERMIT ISSUED BY THE COMPTROLLER MAY BE
28 RENEWED, THE COMPTROLLER SHALL VERIFY THAT THE APPLICANT HAS PAID ALL
29 UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE
30 TO THE COMPTROLLER OR THE SECRETARY OF LABOR, LICENSING, AND
31 REGULATION OR THAT THE APPLICANT HAS PROVIDED FOR PAYMENT IN A MANNER
32 SATISFACTORY TO THE UNIT RESPONSIBLE FOR COLLECTION.

33 10-822.

34 (a) (1) Except as provided in paragraphs (2) and (3) of this subsection, each
35 person required under § 10-906 of this title to withhold income tax shall complete and
36 file with the Comptroller a quarterly income tax withholding return, on or before the
37 last day of the month that follows the calendar quarter in which that income tax was
38 withheld.

1 (2) [If] SUBJECT TO SUBSECTION (B) OF THIS SECTION, IF the person
2 reasonably expects the total amount of income tax required to be withheld in a
3 quarterly period to be \$700 or more, instead of a quarterly income tax withholding
4 return the person shall complete and file with the Comptroller a monthly income tax
5 withholding return:

- 6 (i) for the month of January, on or before February 15;
- 7 (ii) for the month of February, on or before March 15;
- 8 (iii) for the month of March, on or before April [30] 15;
- 9 (iv) for the month of April, on or before May 15;
- 10 (v) for the month of May, on or before June 15;
- 11 (vi) for the month of June, on or before July [31] 15;
- 12 (vii) for the month of July, on or before August 15;
- 13 (viii) for the month of August, on or before September 15;
- 14 (ix) for the month of September, on or before October [31] 15;
- 15 (x) for the month of October, on or before November 15;
- 16 (xi) for the month of November, on or before December 15; and
- 17 (xii) For the month of December, on or before January [31] 15.

18 (3) If the person reasonably expects the total amount of income tax
19 required to be withheld in a calendar year to be less than \$250 instead of a quarterly
20 income tax withholding return the person shall complete and file with the
21 Comptroller an annual income tax withholding return on or before January 31 that
22 follows that calendar year.

23 (B) IF A PERSON WAS REQUIRED TO WITHHOLD \$15,000 OR MORE FOR THE
24 PRECEDING CALENDAR YEAR, THE PERSON SHALL COMPLETE AND FILE AN INCOME
25 TAX WITHHOLDING RETURN WITH THE COMPTROLLER WITHIN 3 BUSINESS DAYS
26 FOLLOWING EACH PAYROLL THAT CAUSES THE TOTAL ACCUMULATED TAX
27 WITHHELD TO EQUAL OR EXCEED \$700.

28 [(b)] (C) (1) A person required to file a quarterly or monthly income tax
29 withholding return shall continue to file returns, whether or not the person is
30 withholding any income tax, until the person gives the Comptroller written notice
31 that the person no longer has employees or no longer is liable to file the return.

32 (2) A PERSON REQUIRED TO FILE RETURNS UNDER SUBSECTION (B) OF
33 THIS SECTION SHALL FILE A RETURN AT LEAST ONCE EVERY 3 MONTHS UNTIL THE
34 PERSON GIVES THE COMPTROLLER WRITTEN NOTICE THAT THE PERSON NO LONGER
35 HAS EMPLOYEES OR NO LONGER IS LIABLE TO FILE THE RETURN.

1 [(c) A person who files a written request to change to a quarterly return filing
2 because the person withholds less than \$700 each quarter may be allowed to change
3 to a quarterly basis at the beginning of the calendar year after the request.]

4 (D) EACH PERSON REQUIRED TO FILE A RETURN UNDER THIS SECTION SHALL
5 FILE RETURNS FOR OTHER PERIODS AND ON OTHER DATES AS THE COMPTROLLER
6 SPECIFIES BY REGULATION, INCLUDING PERIODS IN WHICH THE PERSON DOES NOT
7 PAY WAGES SUBJECT TO WITHHOLDING.

8 10-912.

9 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
10 INDICATED.

11 (2) "NONRESIDENT CORPORATION" MEANS A CORPORATION THAT:

12 (I) IS NOT INCORPORATED IN THE STATE; AND

13 (II) IS NOT QUALIFIED BY THE DEPARTMENT OF ASSESSMENTS
14 AND TAXATION TO DO BUSINESS IN THE STATE.

15 (3) "TOTAL PAYMENT" MEANS THE NET PROCEEDS OF A SALE ACTUALLY
16 PAID TO A NONRESIDENT OR NONRESIDENT CORPORATION TRANSFEROR INCLUDING
17 THE FAIR MARKET VALUE OF ANY PROPERTY TO BE TRANSFERRED TO THE
18 TRANSFEROR.

19 (B) IN A SALE OR EXCHANGE OF REAL PROPERTY AND ASSOCIATED TANGIBLE
20 PERSONAL PROPERTY OWNED BY A NONRESIDENT OR NONRESIDENT CORPORATION,
21 THE TRANSFEREE OF THE PROPERTY SHALL DEDUCT AND WITHHOLD FROM THE
22 PAYMENT TO THE TRANSFEROR AN AMOUNT EQUAL TO 3% OF THE TOTAL PAYMENT.

23 (C) (1) A TRANSFEREE SUBJECT TO THE WITHHOLDING, DEDUCTION, AND
24 PAYMENT PROVISIONS OF THIS SECTION IS PERSONALLY LIABLE FOR ALL AMOUNTS
25 WITHHELD OR REQUIRED TO BE WITHHELD.

26 (2) THE AMOUNT REQUIRED TO BE WITHHELD UNDER THE PROVISIONS
27 OF THIS SECTION SHALL, UNTIL REMITTED, CONSTITUTE A LIEN UPON THE
28 PROPERTY OF THE TRANSFEREE.

29 (D) WITHIN 3 BUSINESS DAYS AFTER THE DATE OF CLOSING ON THE SALE OR
30 EXCHANGE OF THE PROPERTY, THE TRANSFEREE SHALL PAY OVER TO THE
31 COMPTROLLER THE AMOUNT DEDUCTED AND WITHHELD UNDER SUBSECTION (B) OF
32 THIS SECTION, USING FORMS PRESCRIBED BY THE COMPTROLLER.

33 (E) (1) AMOUNTS DEDUCTED AND WITHHELD UNDER SUBSECTION (B) OF
34 THIS SECTION AND PAID OVER TO THE COMPTROLLER UNDER SUBSECTION (D) OF
35 THIS SECTION SHALL BE DEEMED TO HAVE BEEN PAID TO THE COMPTROLLER ON
36 BEHALF OF THE TRANSFEROR FROM WHOM THE AMOUNTS WERE WITHHELD.

1 (2) THE TRANSFEROR SHALL BE CREDITED WITH HAVING PAID THE
2 AMOUNTS FOR THE TAXABLE YEAR IN WHICH THE TRANSACTION THAT IS THE
3 SUBJECT OF THE TAX OCCURRED.

4 (F) THE CLOSING ATTORNEY, LENDING INSTITUTION, AND REAL ESTATE
5 AGENT OR BROKER IN ANY TRANSACTION SUBJECT TO THIS SECTION ARE NOT
6 LIABLE FOR ANY AMOUNTS REQUIRED TO BE DEDUCTED, WITHHELD, AND PAID
7 OVER TO THE COMPTROLLER UNDER THIS SECTION.

8 (G) NOTWITHSTANDING SUBSECTION (C)(2) OF THIS SECTION, A LIEN
9 CREATED UNDER THIS SECTION SHALL CEASE TO BE A LIEN ON OR ENFORCEABLE
10 AGAINST REAL ESTATE 10 YEARS AFTER THE DATE OF THE SALE OF REAL PROPERTY
11 AND ASSOCIATED TANGIBLE PERSONAL PROPERTY THAT GAVE RISE TO THE LIEN.

12 (H) THIS SECTION DOES NOT:

13 (1) IMPOSE ANY TAX ON A TRANSFEROR OR AFFECT ANY LIABILITY OF
14 THE TRANSFEROR FOR ANY TAX; OR

15 (2) PROHIBIT THE COMPTROLLER FROM COLLECTING ANY TAXES DUE
16 FROM A TRANSFEROR IN ANY OTHER MANNER AUTHORIZED BY LAW.

17 (I) THE COMPTROLLER SHALL ADOPT REGULATIONS TO ADMINISTER THIS
18 SECTION.

19 13-203.

20 (c) Tax information may be disclosed to:

21 (1) an employee or officer of the State who, by reason of that employment
22 or office, has the right to the tax information;

23 (2) another tax collector;

24 (3) the Maryland Tax Court; [and]

25 (4) a legal representative of the State, to review the tax information
26 about a taxpayer:

27 (i) who applies for review under this title;

28 (ii) who appeals from a determination under this title; or

29 (iii) against whom an action to recover tax or a penalty is pending or
30 will be initiated under this title; AND

31 (5) ANY LICENSE ISSUING AUTHORITY OF THE STATE REQUIRED BY
32 STATE LAW TO VERIFY THROUGH THE COMPTROLLER THAT AN APPLICANT HAS PAID
33 ALL UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS
34 PAYABLE TO THE COMPTROLLER OR THE SECRETARY OF LABOR, LICENSING, AND

1 REGULATION OR THAT THE APPLICANT HAS PROVIDED FOR PAYMENT IN A MANNER
2 SATISFACTORY TO THE UNIT RESPONSIBLE FOR COLLECTION.

3 13-803.

4 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (2) "ACCOUNT", "ACCOUNT HOLDER OF INTEREST", AND "FINANCIAL
7 INSTITUTION" HAVE THE MEANINGS STATED IN § 10-108.2 OF THE FAMILY LAW
8 ARTICLE.

9 (3) "OBLIGOR" MEANS A PERSON WHOSE PROPERTY IS SUBJECT TO A
10 TAX LIEN.

11 (B) THE COMPTROLLER MAY REQUEST FROM A FINANCIAL INSTITUTION
12 INFORMATION AND ASSISTANCE TO ENABLE THE COMPTROLLER TO ENFORCE THE
13 TAX LAWS OF THE STATE.

14 (C) (1) THE COMPTROLLER MAY REQUEST NOT MORE THAN FOUR TIMES A
15 YEAR FROM A FINANCIAL INSTITUTION THE INFORMATION SET FORTH IN
16 SUBSECTION (D)(2) OF THIS SECTION CONCERNING ANY OBLIGOR WHO IS
17 DELINQUENT IN THE PAYMENT OF TAXES.

18 (2) A REQUEST FOR INFORMATION BY THE COMPTROLLER UNDER
19 PARAGRAPH (1) OF THIS SUBSECTION SHALL:

20 (I) CONTAIN:

21 1. THE FULL NAME OF THE OBLIGOR AND ANY OTHER
22 NAMES KNOWN TO BE USED BY THE OBLIGOR; AND

23 2. THE SOCIAL SECURITY NUMBER OR OTHER TAXPAYER
24 IDENTIFICATION NUMBER OF THE OBLIGOR; AND

25 (II) BE TRANSMITTED TO THE FINANCIAL INSTITUTION IN AN
26 ELECTRONIC FORMAT UNLESS THE FINANCIAL INSTITUTION SPECIFICALLY ASKS
27 THE COMPTROLLER TO SUBMIT THE REQUEST IN WRITING.

28 (D) (1) WITHIN 30 DAYS AFTER A FINANCIAL INSTITUTION RECEIVES A
29 REQUEST FOR INFORMATION UNDER SUBSECTION (C) OF THIS SECTION, THE
30 FINANCIAL INSTITUTION SHALL, WITH RESPECT TO EACH OBLIGOR WHOSE NAME
31 THE COMPTROLLER SUBMITTED TO THE FINANCIAL INSTITUTION, SUBMIT A REPORT
32 TO THE COMPTROLLER.

33 (2) THE REPORT DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION
34 SHALL CONTAIN, TO THE EXTENT REFLECTED IN THE RECORDS OF THE FINANCIAL
35 INSTITUTION:

36 (I) THE FULL NAME OF THE OBLIGOR;

1 (II) THE ADDRESS OF THE OBLIGOR;

2 (III) THE SOCIAL SECURITY OR OTHER TAXPAYER IDENTIFICATION
3 NUMBER OF THE OBLIGOR;

4 (IV) ANY OTHER IDENTIFYING INFORMATION NEEDED TO ASSURE
5 POSITIVE IDENTIFICATION OF THE OBLIGOR; AND

6 (V) FOR EACH ACCOUNT OF THE OBLIGOR, THE OBLIGOR'S
7 ACCOUNT NUMBER.

8 (3) A REPORT SUBMITTED UNDER PARAGRAPH (1) OF THIS SUBSECTION
9 SHALL BE PROVIDED TO THE COMPTROLLER IN MACHINE-READABLE FORM.

10 (4) THE COMPTROLLER SHALL PAY THE FINANCIAL INSTITUTION A
11 REASONABLE FEE, NOT TO EXCEED THE ACTUAL COSTS INCURRED BY THE
12 FINANCIAL INSTITUTION TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION,
13 LESS ANY FEES RECEIVED FROM OTHER UNITS OF THE STATE FOR THE SAME
14 REPORT.

15 (5) THE COMPTROLLER MAY INSTITUTE CIVIL PROCEEDINGS TO
16 ENFORCE THIS SECTION.

17 (E) A FINANCIAL INSTITUTION THAT COMPLIES WITH A REQUEST FROM THE
18 COMPTROLLER BY SUBMITTING A REPORT TO THE COMPTROLLER IN ACCORDANCE
19 WITH SUBSECTION (D) OF THIS SECTION IS NOT LIABLE UNDER STATE LAW TO ANY
20 PERSON FOR ANY:

21 (1) DISCLOSURE OF INFORMATION TO THE COMPTROLLER UNDER THIS
22 SECTION; OR

23 (2) OTHER ACTION TAKEN IN GOOD FAITH TO COMPLY WITH THE
24 REQUIREMENTS OF THIS SECTION.

25 (F) (1) A FINANCIAL INSTITUTION THAT RECEIVES A REQUEST FOR
26 INFORMATION UNDER SUBSECTION (C) OF THIS SECTION:

27 (I) MAY NOT DISCLOSE ANY INFORMATION CONTAINED IN THE
28 REQUEST EXCEPT TO AN AUTHORIZED EMPLOYEE OF THE FINANCIAL INSTITUTION
29 ENGAGED IN COMPLYING WITH THE REPORTING REQUIREMENTS OF THIS SECTION;
30 AND

31 (II) SHALL ALLOW ITS AUTHORIZED EMPLOYEES TO USE THAT
32 INFORMATION ONLY AS REQUIRED IN PERFORMING THEIR DUTIES FOR THE
33 COMPTROLLER AND MAY NOT OTHERWISE COPY, REPRODUCE, RETAIN, OR STORE
34 ANY INFORMATION EXCEPT AS INSTRUCTED BY THE COMPTROLLER.

35 (2) ANY INFORMATION ACQUIRED BY THE FINANCIAL INSTITUTION
36 FROM THE COMPTROLLER REMAINS THE PROPERTY OF THE COMPTROLLER AND

1 MUST BE RETURNED TO THE COMPTROLLER ALONG WITH THE REPORT REQUIRED
2 UNDER SUBSECTION (D) OF THIS SECTION.

3 (3) A FINANCIAL INSTITUTION FURNISHING A REPORT TO THE
4 COMPTROLLER UNDER THIS SECTION IS PROHIBITED FROM DISCLOSING TO AN
5 OBLIGOR THAT THE NAME OF THAT OBLIGOR HAS BEEN RECEIVED FROM OR
6 FURNISHED TO THE COMPTROLLER.

7 13-811.

8 (a) (1) In this section [,"paymaster":

9 (1) means] THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

10 (2) "PAYMASTER":

11 (I) MEANS an employer's officer, representative, agent, or employee
12 charged with the duty of paying salary, wages, or other compensation for personal
13 services to an employee named in a notice of lien; and

14 [(2)] (II) if the person named in a notice of lien is employed by the federal
15 government or its instrumentality with an office in the State where employee records
16 are kept, whether or not payroll records are kept or the payroll is prepared at that
17 office, includes the employee who:

18 [(i)] 1. is designated to keep and maintain employee records in
19 that office; and

20 [(ii)] 2. is or may be designated to receive and distribute pay
21 checks to the employees.

22 (3) "TAX WAGE LIEN" MEANS THE LIEN ON WAGES DESCRIBED IN THIS
23 SECTION.

24 (B) A TAX LIEN FOR ANY TAX ADMINISTERED BY THE COMPTROLLER UNDER
25 THIS ARTICLE EXTENDS TO AND COVERS ALL SALARY, WAGES, OR OTHER
26 COMPENSATION FOR PERSONAL SERVICES THAT IS DUE OR BECOMES PAYABLE ON
27 OR AFTER THE TIME THE LIEN ARISES.

28 [(b)] (C) The Comptroller promptly shall give notice of [an income] A tax
29 wage lien that states the lien amount, THE TYPE OF TAX, and the name of the person
30 against whom the lien is taken by:

31 (1) certified mail, return receipt requested, under the postmark of the
32 United States Postal Service, to the employer; or

33 (2) personal service on the employer.

34 [(c)] (D) (1) If an employer knows or has reason to know of the import of the
35 contents of the certified mail and refuses to accept its delivery, service as required
36 under subsection [(b)(1)] (C)(1) of this section is made when delivery is refused.

1 3. OTHER REASONABLE MANNER AS DETERMINED BY THE
2 COMPTROLLER.

3 (2) THE NOTICE TO BE SENT BY THE COMPTROLLER TO A FINANCIAL
4 INSTITUTION UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL CONTAIN:

- 5 (I) THE NAME OF THE OBLIGOR;
- 6 (II) THE AMOUNT OF THE TAX LIEN;
- 7 (III) THE LAST KNOWN ADDRESS OF THE OBLIGOR;
- 8 (IV) THE SOCIAL SECURITY NUMBER OF THE OBLIGOR; AND
- 9 (V) A NOTICE TO IMMEDIATELY SEIZE AND ATTACH ALL ACCOUNTS
10 HELD BY THE FINANCIAL INSTITUTION IN THE NAME OF THE OBLIGOR.

11 (C) (1) ON RECEIPT OF THE NOTICE DESCRIBED IN SUBSECTION (B) OF THIS
12 SECTION, THE FINANCIAL INSTITUTION PROMPTLY SHALL SEIZE AND ATTACH FROM
13 ONE OR MORE OF THE ACCOUNTS OF THE OBLIGOR HELD BY THE FINANCIAL
14 INSTITUTION AN AGGREGATE AMOUNT EQUAL TO THE LESSER OF:

- 15 (I) THE TOTAL OF THE AMOUNTS IN ALL THE ACCOUNTS OF THE
16 OBLIGOR HELD BY THE FINANCIAL INSTITUTION; OR
- 17 (II) THE AMOUNT STATED IN THE NOTICE SENT UNDER
18 SUBSECTION (B) OF THIS SECTION.

19 (2) WITHIN 30 DAYS AFTER, BUT NOT EARLIER THAN 21 DAYS
20 AFTER, THE FINANCIAL INSTITUTION RECEIVES THE NOTICE DESCRIBED IN
21 SUBSECTION (B) OF THIS SECTION, THE FINANCIAL INSTITUTION SHALL PAY TO THE
22 COMPTROLLER THE LESSER OF:

- 23 (I) THE TOTAL OF THE AMOUNTS IN ALL OF THE ACCOUNTS OF
24 THE OBLIGOR HELD BY THE FINANCIAL INSTITUTION; OR
- 25 (II) THE AMOUNT STATED IN THE NOTICE SENT UNDER
26 SUBSECTION (B) OF THIS SECTION.

27 (D) A FINANCIAL INSTITUTION THAT COMPLIES WITH A NOTICE FROM THE
28 COMPTROLLER SENT UNDER THIS SECTION IS NOT LIABLE UNDER STATE LAW TO
29 ANY PERSON FOR:

- 30 (1) ANY DISCLOSURE OF INFORMATION TO THE COMPTROLLER UNDER
31 THIS SECTION;
- 32 (2) SEIZING AND ATTACHING ANY AMOUNTS FROM AN ACCOUNT OR
33 SENDING ANY AMOUNT SEIZED AND ATTACHED BY THE FINANCIAL INSTITUTION TO
34 THE COMPTROLLER; OR

1 (3) ANY OTHER ACTION TAKEN IN GOOD FAITH TO COMPLY WITH THE
2 REQUIREMENTS OF THIS SECTION.

3 (E) (1) AFTER SERVICE OF NOTICE DESCRIBED UNDER SUBSECTION (B) OF
4 THIS SECTION, A FINANCIAL INSTITUTION SHALL BE LIABLE TO THE COMPTROLLER
5 FOR THE LESSER OF THE AMOUNT PAID OVER TO THE OBLIGOR OR THE AMOUNT
6 STATED IN THE NOTICE SENT UNDER SUBSECTION (B) OF THIS SECTION IF THE
7 FINANCIAL INSTITUTION PAYS OVER ANY AMOUNTS IN AN ACCOUNT TO AN OBLIGOR
8 WITHOUT FIRST:

9 (I) PAYING OVER TO THE COMPTROLLER THE AMOUNT SPECIFIED
10 IN SUBSECTION (C) OF THIS SECTION; OR

11 (II) OBTAINING A WRITTEN NOTICE OF SATISFACTION OR RELEASE
12 OF LIEN FROM THE COMPTROLLER.

13 (2) THE TOTAL AMOUNT THAT THE COMPTROLLER RECOVERS MAY NOT
14 EXCEED THE TOTAL AMOUNT PAID TO THE OBLIGOR IN VIOLATION OF THIS SECTION.

15 (F) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE COMPTROLLER
16 FROM COLLECTING TAXES DUE FROM THE OBLIGOR IN ANY OTHER MANNER
17 AUTHORIZED BY LAW.

18 **Article - Transportation**

19 1-103.

20 (A) A LICENSE OR PERMIT IS CONSIDERED RENEWED FOR PURPOSES OF THIS
21 SECTION IF THE LICENSE OR PERMIT IS ISSUED BY A UNIT OF STATE GOVERNMENT
22 TO A PERSON FOR THE PERIOD IMMEDIATELY FOLLOWING A PERIOD FOR WHICH THE
23 PERSON PREVIOUSLY POSSESSED THE SAME OR A SUBSTANTIALLY SIMILAR
24 LICENSE.

25 (B) BEFORE ANY LICENSE OR PERMIT MAY BE RENEWED UNDER THIS
26 ARTICLE, THE ISSUING AUTHORITY SHALL VERIFY THROUGH THE OFFICE OF THE
27 COMPTROLLER THAT THE APPLICANT HAS PAID ALL UNDISPUTED TAXES AND
28 UNEMPLOYMENT INSURANCE CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR
29 THE SECRETARY OF LABOR, LICENSING, AND REGULATION OR THAT THE APPLICANT
30 HAS PROVIDED FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT
31 RESPONSIBLE FOR COLLECTION.

32 (C) SUBSECTION (B) OF THIS SECTION DOES NOT APPLY TO LICENSES ISSUED
33 UNDER:

34 (1) TITLE 13 OF THIS ARTICLE (MOTOR VEHICLE REGISTRATIONS); OR

35 (2) TITLE 16 OF THIS ARTICLE (DRIVERS' LICENSES).

36 SECTION 2. AND BE IT FURTHER ENACTED, That if any provision of this
37 Act or the application thereof to any person or circumstance is held invalid for any

1 reason in a court of competent jurisdiction, the invalidity does not affect other
2 provisions or any other application of this Act which can be given effect without the
3 invalid provision or application and for this purpose the provisions of this Act are
4 severable.

5 SECTION 3. AND BE IT FURTHER ENACTED, That the changes to § 10-822
6 of the Tax - General Article under Section 1 of this Act shall take effect January 1,
7 2004.

8 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in
9 Section 3 of this Act, this Act shall take effect June 1, 2003.