

SENATE BILL 493

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8lr1453

By: **Senator Frosh**

Introduced and read first time: February 1, 2008

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Lawyers - Payment of Taxes and Unemployment Insurance Contributions**

3 FOR the purpose of repealing a requirement that the Client Protection Fund verify
4 that a lawyer has paid or provided for payment of all undisputed taxes and
5 unemployment insurance contributions before accepting a certain annual fee
6 from the lawyer; requiring the Fund to provide a certain list of lawyers to the
7 Comptroller; authorizing the Comptroller to take certain action if the
8 Comptroller determines that a lawyer has not paid certain taxes and
9 unemployment insurance contributions and the lawyer does not make payment
10 or provide for payment in a certain manner within a certain time after receiving
11 notice from the Comptroller; and generally relating to verifying that certain
12 lawyers have paid or provided for payment of all undisputed taxes and
13 unemployment insurance contributions.

14 BY repealing and reenacting, with amendments,
15 Article - Business Occupations and Professions
16 Section 10-313
17 Annotated Code of Maryland
18 (2004 Replacement Volume and 2007 Supplement)
19 (As enacted by Chapter 3 of the Acts of the General Assembly of the 2007
20 Special Session)

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

23 **Article - Business Occupations and Professions**

24 10-313.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) By August 31 of each year, the Fund shall provide [to the Department of
2 Assessments and Taxation] a list of lawyers who have paid an annual fee to the Fund
3 during the previous fiscal year[,] **TO:**

4 (1) **THE DEPARTMENT OF ASSESSMENTS AND TAXATION**, to assist
5 the Department [of Assessments and Taxation] in identifying new businesses within
6 the State; **AND**

7 (2) **THE COMPTROLLER, TO ASSIST THE COMPTROLLER IN**
8 **DETERMINING WHETHER EACH LAWYER ON THE LIST HAS PAID ALL**
9 **UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE CONTRIBUTIONS**
10 **PAYABLE TO THE COMPTROLLER OR THE SECRETARY OF LABOR, LICENSING,**
11 **AND REGULATION.**

12 (b) The list provided under this section shall:

13 (1) be provided free of charge; and

14 (2) include, for each person on the list:

15 (i) the name and mailing address of the person; and

16 (ii) the federal tax identification number of the person or, if the
17 person does not have a federal tax identification number, the Social Security number
18 of the person.

19 (c) [Before any annual fee required under this part is accepted from a lawyer
20 and is deemed paid, the Fund shall verify through the office of the Comptroller that
21 the lawyer has paid all undisputed taxes and unemployment insurance contributions
22 payable to the Comptroller or the Secretary of Labor, Licensing, and Regulation or
23 that the lawyer has provided for payment in a manner satisfactory to the unit
24 responsible for collection.] **IF THE COMPTROLLER DETERMINES THAT A LAWYER**
25 **HAS NOT PAID ALL UNDISPUTED TAXES AND UNEMPLOYMENT INSURANCE**
26 **CONTRIBUTIONS PAYABLE TO THE COMPTROLLER OR THE SECRETARY OF**
27 **LABOR, LICENSING, AND REGULATION AND THE LAWYER DOES NOT MAKE**
28 **PAYMENT OR PROVIDE FOR PAYMENT IN A MANNER SATISFACTORY TO THE UNIT**
29 **RESPONSIBLE FOR COLLECTION WITHIN 60 DAYS AFTER RECEIVING NOTICE OF**
30 **THE DELINQUENCY FROM THE COMPTROLLER, OR WITHIN ANY LONGER PERIOD**
31 **AUTHORIZED FOR GOOD CAUSE BY THE UNIT RESPONSIBLE FOR COLLECTION,**
32 **THE COMPTROLLER MAY REFER THE MATTER TO BAR COUNSEL UNDER**
33 **MARYLAND RULE 16-731.**

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
35 June 1, 2008.