

# HOUSE BILL 34

C2  
HB 459/18 – ECM

(PRE-FILED)

9lr0449  
CF SB 331

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By: **Delegate Carr**

Requested: September 5, 2018

Introduced and read first time: January 9, 2019

Assigned to: Economic Matters

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 14, 2019

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Business Regulation – Trader’s Licenses – License Fees**

3 FOR the purpose of requiring a certain clerk to account for and pay into the General Fund  
4 of the State the entire fee received for a trader’s license issued in a certain county or  
5 municipal corporation; exempting a visually handicapped applicant who meets  
6 certain standards and Blind Industries and Services of Maryland from a certain  
7 trader’s license fee; requiring the clerk of a certain county or municipal corporation,  
8 before issuing a trader’s license, to ~~verify~~ review certain information submitted by  
9 an applicant on an application for a trader’s license; authorizing the governing body  
10 of a county or municipal corporation to select a uniform license fee for a trader’s  
11 license by submitting its selection on a certain form provided by the Comptroller and  
12 the State Department of Assessments and Taxation on or before a certain date;  
13 providing that a certain selection regarding the basis for assessing a trader’s license  
14 fee by the governing body of a county or municipal corporation is irrevocable;  
15 establishing the amount of a uniform license fee for certain jurisdictions; prohibiting  
16 a certain certification from being required under certain circumstances; requiring  
17 the State Department of Assessments and Taxation to adopt certain regulations on  
18 the granting of exemptions from a certain inventory reporting requirement; making  
19 certain conforming changes; and generally relating to license fees for a trader’s  
20 license.

21 BY repealing and reenacting, with amendments,

22 Article – Business Regulation

23 Section 17–206, 17–302(c), 17–1806 through 17–1808, and 17–1813

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland  
2 (2015 Replacement Volume and 2018 Supplement)

3 BY repealing and reenacting, without amendments,  
4 Article – Business Regulation  
5 Section 17–1804(a)  
6 Annotated Code of Maryland  
7 (2015 Replacement Volume and 2018 Supplement)

8 BY adding to  
9 Article – Business Regulation  
10 Section 17–1807.1  
11 Annotated Code of Maryland  
12 (2015 Replacement Volume and 2018 Supplement)

13 BY repealing and reenacting, with amendments,  
14 Article – Tax – Property  
15 Section 11–101  
16 Annotated Code of Maryland  
17 (2012 Replacement Volume and 2018 Supplement)

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

20 **Article – Business Regulation**

21 17–206.

22 (a) This section does not apply to:

23 (1) a console machine license, pinball machine license, Wicomico County  
24 pinball machine license, or Garrett County amusement device license issued under Subtitle  
25 4 of this title;

26 (2) a Calvert County peddler license or magazine seller license issued  
27 under Subtitle 9 of this title;

28 (3) a junk dealer or scrap metal processor license, agent license, or Calvert  
29 County junk dealer or scrap metal processor license issued under Subtitle 10 of this title;

30 (4) a license to keep a storage warehouse issued under Subtitle 12 of this  
31 title;

32 (5) a State juke box license or Harford County juke box license issued under  
33 Subtitle 13 of this title;

34 (6) a promoter license issued under Subtitle 14 of this title;

1 (7) a vending machine license issued under Subtitle 19 of this title; or

2 (8) a license to do business as a trading stamp issuer issued under Subtitle  
3 20 of this title.

4 (b) Except as provided in [subsection] **SUBSECTIONS (a) AND (C)** of this section  
5 or otherwise in this title, each clerk shall account for and distribute the fees received for  
6 licenses issued under this title as follows:

7 (1) the clerk shall pay into the General Fund of the State:

8 (i) the percentage of license fees authorized by law as a fee of the  
9 office;

10 (ii) the additional issuance fee now allowed; and

11 (iii) 3% of license fees to defray the expenses of the State License  
12 Bureau; and

13 (2) except as provided in subsection [(c)] **(D)** of this section, the clerk shall  
14 distribute the remaining license fees:

15 (i) to the municipal corporation where the licensed business or  
16 activity is located, if the licensed business or activity is located in a municipal corporation;  
17 or

18 (ii) to the county where the licensed business or activity is located, if  
19 the licensed business or activity is not located in a municipal corporation.

20 **(C) A CLERK SHALL ACCOUNT FOR AND PAY INTO THE GENERAL FUND OF**  
21 **THE STATE THE ENTIRE FEE RECEIVED FOR A TRADER'S LICENSE ISSUED IN A**  
22 **COUNTY OR MUNICIPAL CORPORATION THAT SELECTS A UNIFORM LICENSE FEE**  
23 **UNDER § 17-1807.1 OF THIS TITLE.**

24 [(c)] **(D)** (1) For purposes of this subsection, per capita revenue shall be  
25 computed by using the population figures from the later of:

26 (i) the most recent federal census; or

27 (ii) an official local census.

28 (2) The clerk may not distribute license fees to a county or municipal  
29 corporation unless the county or municipal corporation:

1 (i) levies, in its current fiscal year, taxes sufficient to collect at least  
2 \$1.00 per capita in revenue; and

3 (ii) certifies to the Comptroller a copy of the levy.

4 (3) The clerk shall pay into the General Fund of the State any money that  
5 is not distributed at the end of the fiscal year of a county or municipal corporation because  
6 the county or municipal corporation failed to make the levy and certification required by  
7 paragraph (2) of this subsection.

8 17-302.

9 (c) (1) In this subsection, “county treasurer” includes the Director of Finance  
10 or other chief fiscal officer of a county that does not have a county treasurer.

11 (2) This subsection does not apply to a domestic corporation that has  
12 shares subject to taxation under State law.

13 (3) **[An] EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN**  
14 applicant for a license shall submit to the clerk:

15 (i) a certification by the State Department of Assessments and  
16 Taxation of the value of the goods, fixtures, and stock in trade in each county where the  
17 business is located for the applicant’s business for the valuation year;

18 (ii) a certification by the county treasurer of that county that there  
19 are no unpaid taxes due to the State or county on the goods, fixtures, or stock in trade; and

20 (iii) a certification by the municipal corporation, if any, where the  
21 business is located that there are no unpaid taxes due to the municipal corporation on the  
22 goods, fixtures, or stock in trade.

23 (4) In this subsection, the valuation year:

24 (i) in Washington County, is the fiscal year that includes May 1 of  
25 the calendar year when the license is issued; or

26 (ii) in each other county, is the last calendar year before the year for  
27 which the license is sought.

28 17-1804.

29 (a) Except as otherwise provided in this subtitle, a person must have a trader’s  
30 license whenever the person:

31 (1) does business as a trader in the State; or

1 (2) does business as an exhibitor in the State.

2 17-1806.

3 (a) An applicant for a trader's license shall state in the application the place  
4 where the applicant will do business as a trader.

5 (b) (1) [This subsection does not apply if the average value of the applicant's  
6 stock in trade exceeds \$10,000.

7 (2) An applicant for a trader's license may apply under this subsection if  
8 the applicant has a defect in vision such that:

9 (i) visual acuity in the applicant's better eye does not exceed 20/140  
10 with correcting lenses; or

11 (ii) the widest diameter of the applicant's visual field subtends an  
12 angle not exceeding 20 degrees.

13 [(3)] (2) An applicant for a trader's license under this subsection shall  
14 submit to the clerk:

15 (i) a signed certificate, from a licensed physician who specializes in  
16 treatment of the eye, that the applicant's vision meets the standard of paragraph [(2)] (1)  
17 of this subsection; and

18 (ii) an affidavit that the applicant is the owner of the place of  
19 business listed in the application.

20 [(4)] (3) Blind Industries also may apply for a trader's license under this  
21 subsection for a business that it operates, if Blind Industries submits to the clerk an  
22 affidavit that:

23 (i) Blind Industries operates the business listed in the application;  
24 and

25 (ii) the manager of the business has vision that meets the standard  
26 of paragraph [(2)] (1) of this subsection.

27 17-1807.

28 (a) (1) In Baltimore County, the clerk may not issue a trader's license for the  
29 first time without the approval of the zoning commissioner.

1           **[(b)] (2)** In an area of Cecil County where the Cecil County Office of Planning  
2 and Zoning has jurisdiction, the clerk may not issue a trader's license for the first time until  
3 the applicant has obtained zoning approval from that office.

4           **[(c) (1)] (3) (I)** In Howard County, the clerk may not issue a trader's  
5 license for the first time without the approval of the Director of the Office of Planning and  
6 Zoning.

7           **[(2)] (II)** Within 3 working days after an application for a trader's license  
8 is submitted for review to the Director of the Office of Planning and Zoning, the Director  
9 shall notify the clerk of the approval or disapproval of the application.

10           **(B) (1) THIS SUBSECTION DOES NOT APPLY TO A COUNTY OR MUNICIPAL**  
11 **CORPORATION THAT SELECTS A UNIFORM LICENSE FEE UNDER § 17-1807.1 OF THIS**  
12 **SUBTITLE.**

13           **(2) A CLERK MAY NOT ISSUE A TRADER'S LICENSE UNTIL THE CLERK**  
14 ~~**VERIFIES**~~ **REVIEWES THE ACCURACY OF THE STATEMENT MADE BY THE APPLICANT**  
15 **ON THE APPLICATION FOR A TRADER'S LICENSE UNDER § 17-1806 OF THIS SUBTITLE**  
16 **REGARDING THE PLACE WHERE THE APPLICANT WILL DO BUSINESS AS A TRADER.**

17 **17-1807.1.**

18           **(A) ON OR BEFORE OCTOBER 1 EACH YEAR, THE GOVERNING BODY OF A**  
19 **COUNTY OR MUNICIPAL CORPORATION MAY SELECT A UNIFORM LICENSE FEE FOR A**  
20 **TRADER'S LICENSE UNDER § 17-1808(B) OF THIS SUBTITLE BY SUBMITTING ITS**  
21 **SELECTION ON A FORM PROVIDED BY THE COMPTROLLER AND THE STATE**  
22 **DEPARTMENT OF ASSESSMENTS AND TAXATION.**

23           **(B) A SELECTION BY THE GOVERNING BODY OF A COUNTY OR MUNICIPAL**  
24 **CORPORATION UNDER THIS SECTION IS IRREVOCABLE.**

25 **17-1808.**

26           **(a) (1)** Except as otherwise provided in this section, an applicant for a trader's  
27 license shall pay to the clerk a license fee [based on the value of the applicant's  
28 stock-in-trade].

29           **(2) IF THE APPLICANT'S BUSINESS IS LOCATED IN A COUNTY OR**  
30 **MUNICIPAL CORPORATION THAT SELECTS A UNIFORM LICENSE FEE UNDER §**  
31 **17-1807.1 OF THIS SUBTITLE, THE APPLICANT:**

32                           **(I) SHALL PAY THE LICENSE FEE SET FORTH IN SUBSECTION (B)**  
33 **OF THIS SECTION; AND**

1           **(II) IF THE COUNTY OR MUNICIPAL CORPORATION IN WHICH**  
2 **THE BUSINESS IS LOCATED PROVIDES A FULL TAX EXEMPTION FOR COMMERCIAL**  
3 **INVENTORY, MAY NOT BE REQUIRED TO SUBMIT A CERTIFICATION BY THE STATE**  
4 **DEPARTMENT OF ASSESSMENTS AND TAXATION OF THE VALUE OF THE GOODS,**  
5 **FIXTURES, AND STOCK-IN-TRADE UNDER § 17-302 OF THIS TITLE.**

6           **(3) IF THE APPLICANT'S BUSINESS IS LOCATED IN A COUNTY OR**  
7 **MUNICIPAL CORPORATION WITH A LICENSE FEE BASED ON THE VALUE OF THE**  
8 **APPLICANT'S STOCK-IN-TRADE, THE APPLICANT SHALL PAY THE LICENSE FEE**  
9 **UNDER SUBSECTION (C) OF THIS SECTION.**

10           **(B) (1) THIS SUBSECTION APPLIES ONLY TO A COUNTY OR MUNICIPAL**  
11 **CORPORATION THAT SELECTS A UNIFORM LICENSE FEE FOR A TRADER'S LICENSE**  
12 **UNDER § 17-1807.1 OF THIS SUBTITLE.**

13           **(2) IN A COUNTY OTHER THAN BALTIMORE CITY OR BALTIMORE**  
14 **COUNTY, THE LICENSE FEE IS \$15.**

15           **(3) IN BALTIMORE CITY OR BALTIMORE COUNTY, THE LICENSE FEE**  
16 **IS \$20.**

17           **(C) (1) THIS SUBSECTION APPLIES ONLY TO A COUNTY OR MUNICIPAL**  
18 **CORPORATION WITH A LICENSE FEE BASED ON THE VALUE OF THE APPLICANT'S**  
19 **STOCK-IN-TRADE.**

20           (2) In a county other than Baltimore City or Baltimore County, the license  
21 fee is:

22           (i) \$15, if the value of the applicant's stock-in-trade is not more  
23 than \$1,000;

24           (ii) \$18, if the value is more than \$1,000 but not more than \$1,500;

25           (iii) \$20, if the value is more than \$1,500 but not more than \$2,500;

26           (iv) \$25, if the value is more than \$2,500 but not more than \$4,000;

27           (v) \$30, if the value is more than \$4,000 but not more than \$6,000;

28           (vi) \$40, if the value is more than \$6,000 but not more than \$8,000;

29           (vii) \$50, if the value is more than \$8,000 but not more than \$10,000;

30           (viii) \$65, if the value is more than \$10,000 but not more than \$15,000;

- 1 (ix) \$80, if the value is more than \$15,000 but not more than \$20,000;
- 2 (x) \$100, if the value is more than \$20,000 but not more than  
3 \$30,000;
- 4 (xi) \$125, if the value is more than \$30,000 but not more than  
5 \$40,000;
- 6 (xii) \$150, if the value is more than \$40,000 but not more than  
7 \$50,000;
- 8 (xiii) \$200, if the value is more than \$50,000 but not more than  
9 \$75,000;
- 10 (xiv) \$250, if the value is more than \$75,000 but not more than  
11 \$100,000;
- 12 (xv) \$300, if the value is more than \$100,000 but not more than  
13 \$150,000;
- 14 (xvi) \$350, if the value is more than \$150,000 but not more than  
15 \$200,000;
- 16 (xvii) \$400, if the value is more than \$200,000 but not more than  
17 \$300,000;
- 18 (xviii) \$500, if the value is more than \$300,000 but not more than  
19 \$400,000;
- 20 (xix) \$600, if the value is more than \$400,000 but not more than  
21 \$500,000;
- 22 (xx) \$750, if the value is more than \$500,000 but not more than  
23 \$750,000; or
- 24 (xxi) \$800, if the value is more than \$750,000.
- 25 (3) In Baltimore City, the license fee is:
- 26 (i) \$20, if the value of the applicant's stock-in-trade is not more  
27 than \$1,000;
- 28 (ii) \$40, if the value is more than \$1,000 but not more than \$5,000;
- 29 (iii) \$80, if the value is more than \$5,000 but not more than \$10,000;



- 1 (iv) \$160, if the value is more than \$10,000 but not more than  
2 \$50,000;
- 3 (v) \$375, if the value is more than \$50,000 but not more than  
4 \$100,000;
- 5 (vi) \$1,000, if the value is more than \$100,000 but not more than  
6 \$300,000;
- 7 (vii) \$1,500, if the value is more than \$300,000 but not more than  
8 \$750,000; or
- 9 (viii) \$2,125, if the value is more than \$750,000.
- 10 (4) In Baltimore County, the license fee is:
- 11 (i) \$20, if the value of the applicant's stock-in-trade is not more  
12 than \$1,000;
- 13 (ii) \$40, if the value is more than \$1,000 but not more than \$5,000;
- 14 (iii) \$80, if the value is more than \$5,000 but not more than \$10,000;
- 15 (iv) \$160, if the value is more than \$10,000 but not more than  
16 \$50,000;
- 17 (v) \$375, if the value is more than \$50,000 but not more than  
18 \$100,000;
- 19 (vi) \$450, if the value is more than \$100,000 but not more than  
20 \$200,000;
- 21 (vii) \$500, if the value is more than \$200,000 but not more than  
22 \$300,000;
- 23 (viii) \$775, if the value is more than \$300,000 but not more than  
24 \$400,000;
- 25 (ix) \$1,000, if the value is more than \$400,000 but not more than  
26 \$500,000;
- 27 (x) \$1,250, if the value is more than \$500,000 but not more than  
28 \$750,000; and
- 29 (xi) \$1,600, if the value is more than \$750,000.



1 (d) (1) In Baltimore County, the clerk may not issue a transferred trader's  
2 license without the approval of the zoning commissioner.

3 (2) (i) In Howard County, the clerk may not issue a transferred trader's  
4 license without the approval of the Director of the Office of Planning and Zoning.

5 (ii) Within 3 working days after an application for issuance of a  
6 transferred trader's license is submitted for review by the Director of the Office of Planning  
7 and Zoning, the Director shall notify the clerk of the approval or disapproval of the  
8 application.

9 (e) A person who buys a trader's license may do business as a trader for the rest  
10 of the term of the trader's license.

### 11 Article – Tax – Property

12 11–101.

13 (a) On or before April 15 of each year, a person shall submit a report on personal  
14 property to the Department if:

15 (1) the person is a business trust, statutory trust, domestic corporation,  
16 limited liability company, limited liability partnership, or limited partnership;

17 (2) the person is a foreign corporation, foreign statutory trust, foreign  
18 limited liability company, foreign limited liability partnership, or foreign limited  
19 partnership registered or qualified to do business in the State; or

20 (3) the person owns or during the preceding calendar year owned property  
21 that is subject to property tax.

22 (b) The report shall:

23 (1) be in the form that the Department requires;

24 (2) be under oath as the Department requires; and

25 (3) contain the information that the Department requires.

26 **(c) ON OR BEFORE DECEMBER 31, 2019, THE DEPARTMENT SHALL ADOPT**  
27 **REGULATIONS ON THE GRANTING OF EXEMPTIONS FROM THE REPORTING**  
28 **REQUIREMENT UNDER THIS SECTION.**

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 October 1, 2019.