

Chapter 569

(House Bill 34)

AN ACT concerning

Business Regulation – Trader’s Licenses – License Fees

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

BY repealing and reenacting, with amendments,
Article – Business Regulation
Section 17–206, 17–302(c), 17–1806 through 17–1808, and 17–1813
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)

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

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

BY repealing and reenacting, with amendments,
Article – Tax – Property

Section 11–101
Annotated Code of Maryland
(2012 Replacement Volume and 2018 Supplement)

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

Article – Business Regulation

17–206.

(a) This section does not apply to:

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

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

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

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

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

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

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

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

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

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

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

(ii) the additional issuance fee now allowed; and

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

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

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

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

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

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

(i) the most recent federal census; or

(ii) an official local census.

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

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

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

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

17-302.

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

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

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

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

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

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

(4) In this subsection, the valuation year:

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

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

17-1804.

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

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

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

17-1806.

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

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

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

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

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

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

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

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

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

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

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

17-1807.

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

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

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

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

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

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

17-1807.1.

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

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

17-1808.

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

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

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

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

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

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

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

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

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

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

- (i) \$15, if the value of the applicant's stock-in-trade is not more than \$1,000;
- (ii) \$18, if the value is more than \$1,000 but not more than \$1,500;
- (iii) \$20, if the value is more than \$1,500 but not more than \$2,500;
- (iv) \$25, if the value is more than \$2,500 but not more than \$4,000;
- (v) \$30, if the value is more than \$4,000 but not more than \$6,000;
- (vi) \$40, if the value is more than \$6,000 but not more than \$8,000;
- (vii) \$50, if the value is more than \$8,000 but not more than \$10,000;
- (viii) \$65, if the value is more than \$10,000 but not more than \$15,000;
- (ix) \$80, if the value is more than \$15,000 but not more than \$20,000;
- (x) \$100, if the value is more than \$20,000 but not more than \$30,000;
- (xi) \$125, if the value is more than \$30,000 but not more than \$40,000;
- (xii) \$150, if the value is more than \$40,000 but not more than \$50,000;
- (xiii) \$200, if the value is more than \$50,000 but not more than \$75,000;

- (xiv) \$250, if the value is more than \$75,000 but not more than \$100,000;
- (xv) \$300, if the value is more than \$100,000 but not more than \$150,000;
- (xvi) \$350, if the value is more than \$150,000 but not more than \$200,000;
- (xvii) \$400, if the value is more than \$200,000 but not more than \$300,000;
- (xviii) \$500, if the value is more than \$300,000 but not more than \$400,000;
- (xix) \$600, if the value is more than \$400,000 but not more than \$500,000;
- (xx) \$750, if the value is more than \$500,000 but not more than \$750,000; or
- (xxi) \$800, if the value is more than \$750,000.

(3) In Baltimore City, the license fee is:

- (i) \$20, if the value of the applicant's stock-in-trade is not more than \$1,000;
- (ii) \$40, if the value is more than \$1,000 but not more than \$5,000;
- (iii) \$80, if the value is more than \$5,000 but not more than \$10,000;
- (iv) \$160, if the value is more than \$10,000 but not more than \$50,000;
- (v) \$375, if the value is more than \$50,000 but not more than \$100,000;
- (vi) \$1,000, if the value is more than \$100,000 but not more than \$300,000;
- (vii) \$1,500, if the value is more than \$300,000 but not more than \$750,000; or
- (viii) \$2,125, if the value is more than \$750,000.

- (4) In Baltimore County, the license fee is:
- (i) \$20, if the value of the applicant's stock-in-trade is not more than \$1,000;
 - (ii) \$40, if the value is more than \$1,000 but not more than \$5,000;
 - (iii) \$80, if the value is more than \$5,000 but not more than \$10,000;
 - (iv) \$160, if the value is more than \$10,000 but not more than \$50,000;
 - (v) \$375, if the value is more than \$50,000 but not more than \$100,000;
 - (vi) \$450, if the value is more than \$100,000 but not more than \$200,000;
 - (vii) \$500, if the value is more than \$200,000 but not more than \$300,000;
 - (viii) \$775, if the value is more than \$300,000 but not more than \$400,000;
 - (ix) \$1,000, if the value is more than \$400,000 but not more than \$500,000;
 - (x) \$1,250, if the value is more than \$500,000 but not more than \$750,000; and
 - (xi) \$1,600, if the value is more than \$750,000.

[(b)] (D) (1) This subsection does not apply to a domestic corporation that has shares subject to taxation under State law.

(2) In determining the value of an applicant's stock-in-trade, the clerk shall accept as prima facie evidence the values shown on the certification of the State Department of Assessments and Taxation required by § 17-302 of this title.

[(c)] (E) [Notwithstanding the provisions of this section, if the average value of the applicant's stock-in-trade is \$10,000 or less,] **A LICENSE FEE SHALL BE WAIVED FOR:**

(1) a visually handicapped applicant who meets the standards of [§ 17-1806(b)(2)] **§ 17-1806(B)(1)** of this subtitle [or Blind Industries shall pay to the clerk a license fee of only \$6]; **AND**

(2) BLIND INDUSTRIES.

17-1813.

(a) Except as provided in subsection (b) of this section, a trader may transfer the trader's license to a person who:

- (1) buys the stock-in-trade of the trader; and
- (2) buys or rents the place of business of the trader.

(b) (1) A trader's license issued to a visually handicapped individual or Blind Industries is not transferable.

(2) However, Blind Industries may change the manager of the place of business for which a trader's license was issued if the new manager has vision that meets the standard of [§ 17-1806(b)(2)] **§ 17-1806(B)(1)** of this subtitle.

(c) Whenever a trader sells the trader's stock-in-trade and transfers the trader's license:

(1) the transfer of the trader's license shall be reported to the clerk who issued the license; and

- (2) the clerk shall:
 - (i) record the transfer of the trader's license; and
 - (ii) charge 50 cents for doing so.

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

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

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

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

Article – Tax – Property

11-101.

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

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

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

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

(b) The report shall:

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

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

(3) contain the information that the Department requires.

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

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

Enacted under Article II, § 17(c) of the Maryland Constitution, May 25, 2019.