

JOTF JOB OPPORTUNITIES TASK FORCE

Advocating better skills, jobs, and incomes

Testimony in Support of House Bill 577

Business Regulation - Miscellaneous State Business Licenses - Enforcement and Penalties

TO: Hon. C. T. Wilson, Chair, and Members of the House Economic Matters Committee

FROM: Job Opportunities Task Force

DATE: February 5, 2024

POSITION: Support

The Job Opportunities Task Force (JOTF) is an independent, nonprofit organization that develops and advocates policies and programs to increase the skills, job opportunities, and incomes of low-wage workers and job seekers in Maryland. **JOTF supports House Bill 577.**

The Comptroller of Maryland (COM) is required to enforce the business license requirements found in Title 17 of the Business Regulations Article, which includes inspecting businesses and, when appropriate, taking action against those businesses that fail to comply with those requirements.

Under current law, each agent or officer of a corporation who engages in unlicensed activity is individually subject to penalties that can include a misdemeanor, up to a \$300 fine, and even imprisonment. “Agent” is undefined in the Business Regulations Article and has been interpreted broadly to include even non-management employees! As a result, an employee who has no control over the operations of a business can be issued a criminal citation and required to take time off of work to go to court to try to resolve the matter.

This bill seeks to limit overbroad enforcement actions by clearly defining those parties who can be subject to penalties for noncompliance with state business license requirements (e.g. an owner or a representative identified as a responsible party on the license) and ensuring that an employee who lacks control over a business cannot be cited for the activities of the business owner or license representative.

For example under the current system, when the owner of a convenience store in Maryland fails to maintain their trader’s license, it places the employees themselves at risk of criminal charges.

Forcing someone to go to court and fight a criminal charge because of the actions of their employer doesn’t help to curb unlicensed activity and penalizes innocent employees.

JOTF works to remove barriers to employment and this bill would prevent low level employees from facing erroneous criminal citations and possible fines over matters in which they have no control. JOTF applauds the Comptroller’s Office for bringing this bill forward.

For these reasons, JOTF supports House Bill 577 and urges a favorable report.

For more information, contact:

Mark Woodard /Public Policy Advocate / Mark@jotf.org