



House Bill 577

Date: February 12, 2025

Committee: House Economic Matters

Position: Favorable with Amendments

Founded in 1968, the Maryland Chamber of Commerce (the Chamber) is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic growth and recovery for Maryland businesses, employees, and families.

House Bill 577 (HB 577) seeks to authorize the Comptroller to issue citations to enforce certain business license regulations. It also requires business license applicants to designate an individual as the license representative, who would be subject to certain penalties for violations.

While the Chamber appreciates the bill's intent to streamline and strengthen the enforcement and penalties process, we are concerned that HB 577 would grant additional authority to the Comptroller to issue and enforce violations for various state business licenses, making the process more confusing for businesses.

HB 577 requires that business license applicants designate a license representative, who must be a Maryland resident, to assume responsibility and liability for penalties. We believe that the business owner should be the one held liable for violations, not a third-party individual employed by the owner.

We do not believe someone other than the owner should be selected as the individual who must take on individual responsibility and liability for violations. Many businesses, especially those headquartered outside Maryland—particularly in neighboring states—may not have employees residing in Maryland, making this requirement problematic and likely unworkable. Additionally, the Chamber is concerned about the fairness of assigning liability to individuals employed by a company instead of holding the business owner accountable for violations and penalties related to the business license.

HB 577 also removes the provision (page 3, line 18) that held only those directly engaged in unlicensed business activities liable. By doing so, it becomes unclear who should be held responsible, potentially shifting liability to individuals who may not have been involved in the violation at all.

Overall, the bill as introduced is confusing and raises concerns about the increased authority it grants to the Comptroller. The broad enforcement powers outlined in HB 577 could be applied differently by future officeholders, leading to inconsistency in enforcement.

For these reasons, the Chamber respectfully requests a **favorable report with amendments** on HB 577.

