

February 17, 2025

The Hon. C.T. Wilson Chair, House Economic Matters Committee 230 Taylor House Office Building Annapolis, MD 21401

Dear Chairman Wilson:

On behalf of the American Society of Travel Advisors (ASTA) and the more than 1,600 travel advisors in the state of Maryland, I am writing to express our concerns with House Bill (HB) 1106, which would impose new regulatory burdens on travel advisors in Maryland and across the country. I respectfully request that this letter be made part of the record of the committee's February 19, 2025, hearing on the legislation.

By way of background, ASTA is the world's leading professional travel trade organization, representing nearly 200,000 travel advisors across the country. Travel agencies – online, "brick and mortar" and many hybrid business models in between – play a critical role in the broader travel and tourism economy. Ninety-eight percent of travel agencies are small businesses as categorized by the Small Business Administration, and eighty percent of them are womenowned. Our membership ranges from home-based businesses and traditional storefront agencies to the largest travel management companies and online travel agencies.

Before diving into the specifics of the legislation, I hope you will allow me to express my condolences to the Wurie family. They experienced the tragic loss of their family members while embarked on a holy pilgrimage in Saudi Arabia, a tragedy no family should face. We truly wish their loved ones peace and comfort during this difficult time. We were disheartened to learn that the negligence of a tour operator may have contributed to this tragedy.

As the world's largest association of travel professionals, we share the committee's interest in protecting the public from travel scams and other unethical behavior. Members of ASTA pledge to conduct their business principles according to a comprehensive Code of Ethics, and ASTA actively encourages consumers to inform its Consumer Affairs department of any alleged fraud or other unethical conduct by its members. We are an organization of professionals who maintain ongoing ethics and business education through our Verified Travel Advisor program. One bad actor sours the entire profession, and ASTA is committed to ensuring that consumers choose a travel advisor they can trust.

HB 1106 would create a seller of travel registration program and impose other new requirements on agencies in the state and across the country. Under the proposed legislation,

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starting on October 1, 2025, any travel agency that resides in Maryland or solicits business from a Maryland resident must register with the state at a cost of \$300 per year and provide "evidence of financial security." Registrants would have to obtain a surety bond ranging in amounts from \$10,000 to \$50,000, depending on gross business income, or alternatively, obtain professional liability insurance in the amount of \$1 million. Consumers who obtain a judgment against the agent or agency could make a claim against the bond to satisfy the judgment. Individual travel advisors who fail to register would be guilty of a misdemeanor and subject to a fine of up to \$10,000. Business entities that fail to register would be guilty of a misdemeanor and subject to a fine of up to \$50,000.

While we endorse efforts to weed out unscrupulous individuals masquerading as bona fide travel agents, we question the justification for additional regulation. The tour operator in question was not in good standing with the State of Maryland for not filing the required annual report. In this instance, some of the onus of this situation sits with the state itself for not enforcing its own rules¹. The proposed legislation is an overcorrection for a larger problem of enforcement in Maryland, with legitimate travel professionals forced to pay the price.

We are concerned about the regulatory burden and cost associated with adding another state registration requirement to the list of those that already exist today. This would be especially burdensome on those agencies that do business in multiple states. In recent years, many states have moved to nullify such laws, yet Maryland would be on the reverse course to increase regulatory burden and red tape. Moreover, because the travel advisor profession is unconstrained by state lines, this regulation would undoubtedly be confusing, if not unintentionally overlooked, by travel professionals who only occasionally sell to Maryland residents but live outside the state.

As previously mentioned, all ASTA members are subject to a strict code of conduct. We always encourage consumers to do their homework to find the right travel professional, and we provide the ability for consumers to connect with our Verified Travel Advisors without worrying about being the subject of an unfortunate scam.

While we believe the legislation to be well-intended and extend our sympathies to anyone affected by the actions of incompetent or unscrupulous travel agents, we remain concerned that it does not strike the right balance between protecting consumers and minimizing burdens and government mandates on professional, ethical travel advisors and agencies in Maryland and across the country. ASTA and its members would welcome the opportunity to work with the committee to craft a bill that is fair to both consumers and travel advisors, but we respectfully request that you delay consideration of HB 1106 until the appropriate balance can be struck.

¹ WJLA: "Travel company hired by Maryland couple who died in Mecca 'not in good standing'"
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Thank you for considering our views on this critical issue. If you or your staff have any questions, please do not hesitate to contact Jessica Klement, Vice President of Advocacy, at jklement@asta.org. Further, should you be interested in speaking directly with travel advisors in Maryland, Jessica would be happy to connect you.

Yours Sincerely,

Zane Kerby

President and Chief Executive Officer

CC: The Hon. Adrian Boafo (Bill Sponsor)