



February 12, 2025

Legislative Position: Favorable with Amendments

House Bill 577

Business Regulation - Miscellaneous State Business Licenses - Enforcement and Penalties

House Economic Matters Committee

Dear Chairman Wilson and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber works in partnership with our elected officials to advocate for the interests of the county's business community.

As introduced, House Bill 577 (HB 577) would authorize the Comptroller to issue citations to enforce certain business license regulations. It also adds a new requirement that business license applicants designate an individual as the license representative for the purposes of being subject to certain penalties for violations.

The Howard County Chamber appreciates the bill's intent to narrow the scope of enforcement and penalty process, however, our members remain concerned with the appearance that HB 577 would grant new authority to the Comptroller to issue and enforce violations for various state business licenses. Further, our members believe that the new provisions requiring a business to designate a license representative can already be done with existing means.

Further, HB 577 requires that the business license representative to be a Maryland resident and to assume responsibility and liability for penalties and violations. Ultimately, our membership believes the business owner or the person currently listed on the business license should be held liable for violations, not a designated individual employed by the owner. The requirement that the designated representative be a Maryland resident seems to be arbitrary in the sense that a business owner's responsibility to maintain a license should apply regardless of residency.

HB 577 also removes a provision (page 3, line 18) that appears to hold only those directly engaged in unlicensed business activities liable. By removing this, it becomes unclear who should be held responsible, potentially shifting liability to individuals who may not have been involved in the violation at all. This would be at odds with the intended purpose of the legislation, to narrow the scope of liability.

Overall, our membership believes there is a more direct way of addressing these concerns, by holding the business owner or the individual on the license responsible for violations. There is also concern about the



appearance of increased citation authority. For these reasons, the Howard County Chamber looks forward to working alongside the Comptroller's office to come up with language that achieves the intent of HB 577 without creating confusion and redundancy.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce